

FBIS**DAILY REPORT
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ZHAO ZIYANG SPEAKS ON INTERNATIONAL YEAR OF PEACE

OW171117 Beijing XINHUA Domestic Service in Chinese 0842 GMT 17 Mar 86

[Text] Beijing, 17 Mar (XINHUA) -- At the request of the China International Broadcasting Station, Premier Zhao Ziyang delivered a radio speech to listeners throughout the world on 17 March in connection with the "International Year of Peace" activities. The full text of his speech follows:

Hi! Listeners and friends: I am very happy to say a few words over Radio Beijing in connection with the International Year of Peace to our friends in all countries.

At a ceremony commemorating the 40th anniversary of the founding of the United Nations on 24 October last year, the members of the United Nations unanimously adopted an "international year of peace declaration," proclaiming 1986 the International Year of Peace. I feel greatly honored to have participated in that historical event on behalf of the Chinese Government.

"Peace" is a magnificent ideal to which mankind has aspired for thousands of years. I myself, both as the premier of a nation and as an ordinary citizen of China, share with you a strong desire for world peace. The Chinese people and people of all countries long for a world of lasting peace, of prosperity and progress, of equality and cooperation. The United Nation's decision to make this year the International Year of Peace, and its appeal for global activities to win and safeguard peace, conform with the vital interests and sincere wishes of the world's people. I highly appreciate and support this effort.

As we all know, peace and development are the two most critical problems facing the destiny and future of mankind. The people of the world know just as well that if there is no peace, there will be no development and happiness for mankind will be out of the question. In the past few years, I have visited quite a few countries on six continents, and received at home one group of foreign friends after another. These visits and receptions left me with an extremely deep impression of how eagerly the world's people are demanding peace and opposing the arms race. I responded by conveying to them the Chinese people's strong desire for peace and their sincere support for disarmament. The decision to cut China's armed forces by 1 million, announced by the Chinese Government last year, was an actual deed of the Chinese people in supporting the cause of peace and disarmament.

The Chinese people have suffered throughout history from the bitterness of wars of aggression imposed on them by colonialism and imperialism. The flames of war laid waste this age-old land for a hundred years, devastating the lives of its people. After the founding of new China, the Chinese people became their own masters, and they treasure even more a life of peace. China as a developing socialist country is devoting all its efforts to modernization. This will require the hard work of several generations and an environment of lasting and stable peace in the world. China bases its independent foreign policy of peace on the fundamental interests of both the Chinese people and the people of the world. In our relations with other countries, we insist on the five principles of peaceful coexistence, stand for establishment and development of friendly relations of cooperation with other countries on the basis of these principles, oppose hegemony, and safeguard world peace. This is an established policy our country, and it will never be changed. China is an important force in keeping the world peaceful and a reliable friend with which other countries can live in amity.

As a founding member of the United Nations and a permanent member of the UN Security Council, China has consistently worked hard to realize the objectives and principles of the UN Charter.

Today's world remains tense and "hot spots" and the danger of war still exist. On the other hand, we also see the development of forces for peace and the increase of factors for preventing war. A just cause is invincible and world peace can be maintained. We are confident about the future. To relax world tension and maintain world peace, to see the sunshine of peace over every family, let's join hands, shoulder our responsibility, and each do our best.

Thank you.

SHIJIE ZHISHI INTERVIEWS SCHOLAR ON WORLD PEACE

OW151058 Beijing XINHUA in English 1030 GMT 15 Mar 86

[Text] Beijing, March 15 (XINHUA) -- Huan Xiang, a noted Chinese scholar of international studies, said in a recent interview that the designation of the year 1986 as the "Year of International Peace" by the United Nations will help mobilize the world's people in the struggle against war and to secure peace. "It will play a positive role in halting the arms race between the United States and the Soviet Union, pushing them from confrontation to dialogue, and in making space serve the peaceful endeavors of mankind," he added.

Huan, who is director of the Center of International Studies under China's State Council, made these remarks while answering questions raised by a reporter of the magazine, "WORLD AFFAIRS". The interview is carried in the latest issue of the magazine which will be off the press tomorrow.

In recent years, Huan noted in the interview, there have been wars between some Third World countries besides aggressive ones launched by Vietnam, Israel and the racists in South Africa. He suggested that during the Year of International Peace, those Third World countries involved in war be called on to solve their differences through peaceful negotiations so that they can turn the money used in buying arms to construction.

Reviewing the history of the past 40 years since the Second World War, he said that no war had broken out between the two superpowers although they had maintained a very tense relationship highlighted by several crises. At the same time, he said, small-scale and regional wars had broken out, mainly in the territories of some Third World countries. He said that this was because the spheres of influence in Europe divided by the Yalta agreement had remained intact and the military balance between the United States and the Soviet Union had kept both sides from unleashing a war rashly.

Meanwhile, he said, the military alliances controlled by the two superpowers are unstable. Their political, economic and ideological antagonisms are unsynchronized and even contradictory to each other at times. With the rise of China, the European Economic Community and Japan, he said, the world is now changing from bipolarization to multi-polarization, with the United States and the Soviet Union remaining the two biggest powers. He said that the two superpowers, which keep the largest nuclear arsenals, are the only countries capable of starting a nuclear war. Their rivalry for hegemony constitutes the source of a possible world war. Therefore, people all over the world must exert moral force on them to prevent them from launching another war.

He said that the growth of factors for peace had outstripped the war trends. First, he said, people throughout the world stand for peace and against war. And second, the Third World, as a major force for peace, is playing an independent role in the world arena. Besides, he said, China is determined to take an independent and self-strengthening road; the United Nations is playing an increasing role in preserving world peace; and a large number of far-sighted politicians in Western countries oppose war, demanding that money spent on armaments be used for construction and helping the Third World countries.

In order to prevent a world war, he pointed out, it is imperative to oppose the nuclear and conventional arms race of the two superpowers. He called on all peace-loving people and politicians to unite and form a broadly-based force for peace and continue their anti-war campaign on a large scale. He also urged that "hot spots" be eliminated and efforts be made to solve the economic problems of the Third World countries.

CHEN MUHUA NAMED ASIAN DEVELOPMENT BANK GOVERNOR

OW171007 Beijing XINHUA in English 0947 GMT 17 Mar 86

[Text] Beijing, March 17 (XINHUA) -- Chen Muhua, State Councillor and Governor of the People's Bank of China (PBC), has been appointed Chinese governor to the Asian Development Bank (ADB), the PBC announced here today. The Chinese Government has also appointed PBC council member Che Peiqin to be the ADB alternate governor.

PBC became a full member of the Manila-based Asian Financial body on March 10. As an official ADB liaison organization and the official depository in China, PBC will keep ADB holdings of Chinese currency and its other assets in the country. A Chinese delegation headed by Chen Muhua will take part in the 19th annual meeting of the ADB Board of Governors to be held in Manila from April 30 to May 2.

IDA APPROVES CREDIT TO ASSIST PROJECTS

OW180232 Beijing, XINHUA in English 0220 GMT 18 Mar 86

[Text] Washington, March 17 (XINHUA) -- The International Development Association (IDA) today approved an interest-free credit of SDR 22.8 million (about 20 million U.S. dollars) to help China develop the ability to manage mostly World Bank assisted projects. The credit, the second of its kind, will finance technical assistance and training for project preparation, in addition to strengthening some important economic institutions and carrying out economic and policy studies.

The total cost of the IDA-assisted project is estimated at 27 million dollars and the Chinese Government will make up the remaining 7 million dollars in cost. The IDA credit will be paid back in 50 years.

SOVIET DEFECTOR TESTIFIES AT OSLO CONFERENCE

OW170938 Beijing XINHUA in English 0846 GMT 17 Mar 86

[Text] Oslo, March 16 (XINHUA) -- The Soviet Union has been conducting a completely "unjust and dirty war" in Afghanistan, says a former Soviet sergeant who defected in 1983 to join the Afghan resistance forces. Nikolay Movchan explained his reasons for defecting at the second international hearing on Afghanistan, which ended today in the Norwegian capital.

Movchan was dispatched to Afghanistan in October 1982 and deserted to join the Afghan mujahidin fighters in June 1983. He said that before being sent to Afghanistan, he was told only that the Soviet Army was in Afghanistan to "help Afghan brothers prevent other countries from invading" and to "defend the Soviet southern borders." Movchan said, however, that after he arrived in Afghanistan what he saw and heard was completely to the contrary, that Soviet troops were fighting against the Afghan mujahidin fighters and massacring civilians.

He cited an instance where an Afghan village near the Soviet Army base in which Movchan was stationed was thoroughly destroyed by the Soviet troops and most of the villagers were killed by Soviet tanks. The village was attacked, he said, because the mujahidin fighters once ambushed the Soviet invaders there.

At the hearing, Movchan testified to many atrocities committed by the Soviet invaders in Afghanistan, adding that Soviet soldiers and officers "robbed the population of anything of value" wherever they went. "Discontent over the war was not only among soldiers but also the officers," and many feel "despondent" he said. Even Soviet high-ranking officers also thought there was no way out of the Afghan situation, he added.

Movchan, who stayed in the mujahidin-controlled areas for more than a year after he defected in 1983, said that the Afghan mujahidin fighters won "the support of all the Afghan people." For the Soviet invaders, he said "there were no flowers or grateful smiles as they showed on Soviet television." Movchan stressed that the Afghan war not only meant great losses for the Afghan people but also made Soviet soldiers cannon fodder of Soviet soldiers. The former sergeant appealed to other countries to take in Soviet soldiers who defected in Afghanistan. Movchan is one of 14 witnesses from Afghanistan at the three-day international hearing who testified to having first-hand knowledge of Soviet atrocities.

Witnesses Testify to Atrocities

OW170758 Beijing XINHUA in English 0700 GMT 17 Mar 86

[Text] Oslo, March 16 (XINHUA) -- Fourteen witnesses from Afghanistan testified to first-hand knowledge of Soviet atrocities in their country at a three-day international hearing on Afghanistan which concluded here today. In testimony at the hearing, Quari Baba Taj Mohammed, general commander of the Afghan resistance forces in the province of Ghazni, strongly condemned the Soviet aggression against Afghanistan and the atrocities committed by Soviet troops. He charged that the Soviet invaders tested their most sophisticated weapons, using incendiary bombs, chemical weapons and even toys with hidden bombs to kill Afghan people.

Mohammed Khaled, commander of the Afghan resistance forces in the northern province of Balkh, said that in addition to using military means to massacre Afghans, the Soviet invaders also attempted to intimidate the Afghan people by destroying their means of livelihood. He charged, for example, that Soviet troops destroyed 75 to 80 percent of arable land in the province, blasted its irrigation networks and poisoned the wells.

According to the testimony, Afghan civilians, especially children and women, are the main victims of the Soviet aggression. Ashiqualla, a crippled 10-year-old boy, supported himself with a walking stick as he took the stand to tell the forum of Soviet atrocities in his country. Ashiqualla's right leg was badly wounded when Soviet troops attacked his home village two years ago, killing his father and sister. His leg had to be amputated. He was then only eight years old.

A former Soviet soldier explained at the forum the reasons for his defection, denouncing the Soviet Union for conducting an "unjust and dirty war" in Afghanistan.

Three Norwegian medical personnel and two Swedish reporters who have been to the war-torn country showed slides to the panel of emaciated and weakened Afghan children who are suffering from malnutrition. They said that Soviet invaders were systematically destroying the Afghan nation.

Speaking at the forum, representatives from international organizations said the Soviet occupation of Afghanistan is a great tragedy of the human being. The three-day hearing, which started on March 14, is sponsored by Norwegian organizations that oppose the Soviet occupation of Afghanistan. An earlier hearing on Afghanistan was held here three years ago.

HONGQI ARTICLE CITED ON CHINA'S FOREIGN POLICY

HK170933 Beijing ZHONGGUO XINWEN SHE in Chinese 1300 GMT 16 Mar 86

[Text] Beijing, 16 Mar (ZHONGGUO XINWEN SHE) -- The latest issue of HONGQI magazine published today carries an article on China's foreign policy. It says that China will not take an unprincipled position in maintaining equal distances to both the United States and the Soviet Union.

The article says: China will not establish strategic relations in the form of an alliance with any big power. This is a new development in China's independent, peace-oriented foreign policy. As a nonaligned country, China today does not consider her policy toward the Soviet Union in line with the intentions of the United States; nor does she consider her policy toward the United States in line with the intentions of the Soviet Union. China will make decisions and policies on the position of safeguarding the fundamental interests of the Chinese people and the people of the whole world, and will judge every international affair on its merits.

In recent years, Chinese and U.S. leaders have exchanged visits and the two countries have markedly increased their bilateral trade. At the same time, China and the Soviet Union have also begun some high-level contacts, and trade between the two countries has also increased rapidly. The article said: On the one hand, China insists on the principled position of opposing hegemonism; on the other hand, China continues to develop and improve relations with the United States and the Soviet Union. This enables China to better uphold justice on the international stage and is in line with China's needs for peace, friendship, and the four modernizations.

When talking about Sino-Japanese relations, the article says: In order to raise Sino-Japanese relations to a new height in the 1980's following the significant advances of the 1970's, Chinese leaders have repeatedly mentioned that both countries should continue to increase mutual trust in the political field and continue to promote cooperation in the economic field, so as to maintain and develop Sino-Japanese friendship generation after generation.

In the course of advance, some problems have also appeared in Sino-Japanese relations. For example, China is in the unfavorable position of incurring huge deficits in her trade with Japan, and Japan has not taken a positive attitude in transferring technology to China. What worries China more is the fact that various signs of militarism still emerge in Japan from time to time. The article points out that so long as both China and Japan have a farsighted vision, and work for their long-term interests, the prospects for Sino-Japanese friendship on a long-term basis are bright.

The article also points out that China is making efforts to strengthen her unity and cooperation with the Third World. At the same time, China is also trying to develop and improve relations with some East European countries. The article reviews the development of China's foreign policy over the past 36 years and points out that China advanced her foreign relations in giant strides in the 1970's, and the development was mainly characterized by the expansion of lateral ties. In the 1980's, China's foreign relations mainly developed in depth. The article says that the present foreign policy pursued by China is the most correct and most effective one since the founding of the PRC.

CHINESE LAW PROFESSOR AT CRIME CONTROL CONFERENCE

OW151220 Beijing XINHUA in English 0847 GMT 15 Mar 86

[Text] Vienna, March 14 (XINHUA) -- International terrorism and juvenile delinquency were among the problems discussed at a 10-day conference of the United Nations Committee on Crime Prevention and Control which ended here today.

Committee members approved a progress report outlining U.N. activities in crime prevention during 1984-1985 and reviewed the Milan plan of action which was passed at the 7th United Nations congress on the prevention of crime and the treatment of offenders.

The 27-member committee, which includes a Chinese professor of law, also discussed the 11th congress of the U.N. crime committee which is scheduled for 1990. Founded in 1950, the committee consists of experts in the field and is under the auspices of the U.N. Economic and Social Council. Its main tasks are to prepare for the U.N. Crime Prevention and Treatment Congress held every five years, and to spread knowledge on crime prevention and control among countries of the world.

LEBANON TO SEND ENVOYS TO PERMANENT UNSC MEMBERS

OW141013 Beijing XINHUA in English 0634 GMT 14 Mar 86

[Text] Beirut, March 13 (XINHUA) -- Lebanese speaker Husayn al-Husayni has decided to send three delegations soon to five permanent member states of the U.N. Security Council [UNSC] to discuss with leaders of these countries the situation in southern Lebanon and to ask them to support the prolongation of the mandate of the U.N. emergency force in Lebanon. According to Beirut daily 'AL-SAFIR' today, the delegations will also visit U.N. headquarters and the countries who sent troops to join in the U.N. emergency force.

The U.N. emergency force was formed in 1978 at the request of the Lebanese Government with a mandate of half a year. Its mandate has been prolonged for many times and this mandate will expire on April 17. Now the prolongation of the U.N. force is still uncertain because Israel takes negative attitude towards the matter and the U.S. had decided to reduce its financial aid by 18 million dollars to the force. The Lebanese Government is worried about the tense situation in the south if the U.N. force leaves there.

It was reported that the delegations will stress that the U.N. emergency force should continue to stay in southern Lebanon and the U.N. Security Council Resolution 425 should be implemented. They will also expose Israeli atrocities in southern Lebanon and stress Lebanon's national right to resist Israeli aggression.

LI PENG MEETS PRESIDENT OF U.S. FIRM 17 MAR

OW171140 Beijing XINHUA in English 1056 GMT 17 Mar 86

[Text] Beijing, March 17 (XINHUA) -- Chinese Vice-Premier Li Peng met here today Helen H.Y. Li, president of Havarest, Inc. of the United States. They exchanged views on trade and economic construction.

REAGAN SENDS POLICY STATEMENT TO CONGRESS

OW151741 Beijing XINHUA in English 1630 GMT 15 Mar 86

[Text] Washington, March 14 (XINHUA) -- U.S. President Ronald Reagan sent to Congress Friday a major policy statement in which he warned Soviet leaders to expect no "fundamental improvement of Soviet-American relations" while there is "continuing Soviet adventurism in the developing world." The statement, entitled "Freedom, Security and Global Peace", deals with U.S. policy toward regional conflicts.

In recent years, Reagan said, "Soviet ambitions in the developing world have run head on into a new form of resistance." He added that in the 1970s "the Soviet overreached," and now they and their clients "are finding it difficult to consolidate" their gains "mainly because of the courageous forces of indigenous resistance." Referring to the situation in a number of developing countries, Reagan declared explicitly for the first time that his administration will oppose to all [as received] dictatorships, whether they represent right-wing or left-wing governments.

Observers here noticed that the statement was released in the wake of the recent downfall of the right-wing regimes in the Philippines and Haiti. In both cases, the policies of the United States were taken out of its consideration to protect its interests there, anticipating an inevitable overthrow of the former leaders by the people of the two countries.

Meanwhile, there have been charges in the United States and other countries that the Reagan administration is following a double standard policy on human rights towards what it terms "traditional authoritarian" regimes.

U.S., PHILIPPINES TO COOPERATE ON MARCOS PROBE

OW160222 Beijing XINHUA in English 0213 GMT 16 Mar 86

[Text] Washington, March 15 (XINHUA) -- The U.S. Government has pledged to cooperate with a Philippine Government commission investigating the wealth in the United States of former Philippine President Ferdinand Marcos, Chairman of the Commission Jovito Salonga said here today. After a meeting with U.S. Undersecretary of State for Political Affairs Michael Armacost, Salonga told reporters that "We have been assured of full cooperation by the U.S. Government within the context not only of American law but Philippine law and international law."

The Reagan administration had agreed to give Salonga copies of the documents about Marcos' huge fortune, which Marcos brought to Hawaii when he fled there last month. Salonga, who arrived here Friday, also had this to say: "I think we can look forward to a more productive relationship between the Philippines and the United States."

Yesterday, Representative Stephen Solarz, chairman of the House Subcommittee on Asian and Pacific Affairs, told a news conference after a one-hour meeting with Salonga that his subcommittee would cooperate with the Philippine Government in the effort to recover Marcos' funds.

U.S. ARMS NEGOTIATOR WITH USSR REPLACED

OW150134 Beijing XINHUA in English 0130 GMT 15 Mar 86

[Text] Washington, March 14 (XINHUA) -- U.S. President Ronald Reagan today named Ronald Lehman to replace John Tower as U.S. negotiator for strategic nuclear arms with the Soviet Union. Tower resigned earlier this week for "personal reasons."

The 39-year-old Lehman has served as a deputy arms negotiator with the rank of ambassador since January 1985. He is also the deputy assistant to the U.S. President for national security affairs. Previously, Lehman served as deputy assistant secretary of defense responsible for nuclear forces and arms control policies and served as a representative to the U.S.-Soviet bilateral discussions on nuclear proliferation. Lehman will join two other negotiators in Geneva. The U.S. negotiating team is headed by Ambassador Max Kampelman and includes Maynard Glitman, a veteran diplomat.

REAGAN OFFERS USSR OBSERVATION OF NUCLEAR TESTS

OW150144 Beijing XINHUA in English 0133 GMT 15 Mar 86

[Text] Washington, March 14 (XINHUA) -- President Ronald Reagan has made a new proposal to the Soviet Union on nuclear testing, calling for Soviet scientists to be sent to the United States to observe a new system that could detect and evaluate nuclear tests.

White House Deputy Press Secretary Edward Djerejian told reporters this afternoon Reagan has sent a letter to Soviet leader Mikhail Gorbachev which includes a "new, very specific and far-reaching proposal" on nuclear testing that could open the way to U.S. ratification of two long-dormant test ban treaties. According to the spokesman, Reagan has proposed that Soviet scientists come to Nevada in April to observe a new hydro-dynamic detection system, called Corrtex, that can determine the yield of underground tests.

Reagan said in the letter he believes the new system "will enable both the United States and the Soviet Union to ensure compliance with the treaties" concerning nuclear testing. The White House spokesman said that Reagan hopes the sending of Soviet observers "will provide an opportunity to discuss verification methods." He said if an agreement can be reached on the methods of verification, the U.S. President will move ahead in favor of the threshold test ban treaty and the treaty on a peaceful nuclear test ban.

The issue of compliance has been one of the sticking points in the U.S.-Soviet arms talks. The United States said if the Soviet Union continues to violate current treaties, the United States will scrap them. Earlier today, Moscow suggested that the Soviet Union and the United States begin new bilateral talks in Washington, Moscow or Geneva as soon as in April on a total ban of nuclear weapons tests. It also said verification, including on-site observers, should not be a barrier to reaching a test ban agreement.

ARKHIPOV DELEGATION CONCLUDES COOPERATION AGREEMENT

OW180926 Beijing XINHUA in English 0911 GMT 18 Mar 86

[Text] Beijing, March 18 (XINHUA) -- An agreement was reached here today between China and the Soviet Union on furthering cooperation in the areas of economy, trade, science and technology. The agreement was the result of the second round of talks of the first meeting of the Sino-Soviet Commission on Economic, Trade, Scientific and Technological Cooperation, held at the Great Hall of the People here this afternoon.

Li Peng, Chinese vice-premier and Chinese chairman of the Sino-Soviet commission, and Ivan Vasilyevich Arkhipov, first vice-chairman of the Council of Ministers of the Soviet Union and Soviet chairman of the Sino-Soviet commission, co-chaired today's talks.

According to officials here, Wang Pinqing, Chinese vice-minister of foreign economic relations and trade, reported to the meeting on behalf of the two sides on the work of the two groups and the drafting of the minutes. Arkhipov voiced his full appreciation of the work of the two groups as well as the agreement. Li Peng said he was sure that the meeting of the commission would further spur Sino-Soviet cooperation in the areas of economy, trade, science and technology.

LIAOWANG REPORTS CPSU DEVELOPMENT STRATEGY

OW161336 Beijing XINHUA in English 1310 GMT 16 Mar 86

[Text] Beijing, March 16 (XINHUA) -- The Chinese weekly "OUTLOOK" will publish tomorrow in its 11th issue an article by special correspondent Shen Yiming on the "strategic line" formulated by the Soviet Communist Party at its recent 27th congress for speeding up the country's socio-economic development for the rest years of this century. Following are excerpts from the article.

The "strategic line", as the party leader Mikhail Gorbachev explained in his political report to the congress, consists of perfecting the socialist economic system and promoting productive forces and scientific-technological progress; relating workers' welfare increment closely to their labor efficiency; giving full scope to the initiative and creative power of each worker or collective; integrating ideological and organizational work with problems of real life and avoiding empty and preachified talk.

According to the "strategic line", the Soviet Union will double its national income and industrial output by the end year 2000. For a number of years, Gorbachev pointed out in his speech, the Soviet Union has achieved certain successes in the economic, social, cultural and other spheres, but at the same time there appeared unfavourable tendencies in the country's social and economic life. "The deeds and actions of the party and government bodies talked behind the needs of the times and life," he said. Gorbachev said: "The problems in the country's development built up more rapidly than they were being solved." "The inertness and stiffness of the forms and methods of administration, the decline of dynamism in our work, and an escalation of bureaucracy -- all this was doing no small damage." He called for immediate steps to overcome the negative factors in the country's socio-economic development and give it necessary vigour and impetus.

Addressing the party gathering, dozens of delegates sharply criticized errors of the past and shortcomings at the present time.

On the causes of the sluggishness of the country's economic development, the speakers said that "the main thing was that we had failed to produce a right assessment of the changed economic situation and convert the economy to intensive methods of development, but continued to develop largely on an extensive basis with sights set on drawing additional labor and material resources in the production." As a result, they noted, the rate of growth of labor productivity and certain other efficiency indicators dropped substantially; the attempts to rectify matters by building new plants affected the problem of balance; the economy, which has enormous resources at its disposal, ran into shortages earlier in the 1960s, and a gap appeared between the needs of society and the attained level of production, between the effective demand and the supply of goods.

The 27th party congress described "a radical reform" of the economic system and management methods as a key to advancing socio-economic development on the basis of scientific-technological progress. Reform, participants explained, means the introduction of cost accounting, self-support, self-financing and the dependence of the income level of enterprises directly on their performances; going over to economic methods of guidance at all levels of the national economy, and making more flexible the system of material and technical supply, price formation, financing and crediting; enlarging the decision-making power of the enterprises and at the same time calling for a strengthened role of the national center in achieving the major goals of the economic strategy.

In agriculture, "the contract job-by-job system of payment at the levels of teams, groups, and families to whom means of production, including land, will be assigned for a period specified by contract, will become widespread." The government will also give farmers greater freedom in selling their extra-quota products in markets. The party congress particularly stressed the need to continue pursuing the line of combining experienced and young cadres in the leadership, and meanwhile to declare a determined and relentless war on bureaucratic practices, machinations, embezzlement, bribery and other negative phenomena.

Participants to the congress pointed to the fact that there remained considerable blocks in the way of economic reform. Soviet Premier Nikolay Ryzhkov said bureaucratism was the greatest of all dangerous troubles. However, Gorbachev said that "we are only at the beginning" of the reform road. "Difficulties may arise, and we are not guaranteed against miscalculations either, but still the main thing now is to move ahead purposefully, step by step, in the direction we have chosen."

LI PENG MEETS SOVIET EDUCATION DELEGATION

OW151144 Beijing XINHUA in English 1129 GMT 15 Mar 86

[Text] Beijing, March 15 -- Chinese Vice-Premier Li Peng met with a Soviet education delegation composed of heads of engineering universities led by H.C. Yegorov, vice-minister of higher and secondary specialized education, here this afternoon.

Li, who is also minister in charge of the State Education Commission, exchanged views with Yegorov on the two countries' education, and scientific research system. The delegation, the second of the kind to visit China this year, arrived here March 13.

S. KOREAN OPPOSITION FORCES FORM UNITED FRONT

OW180844 Beijing XINHUA in English 0833 GMT 18 Mar 86

[Text] Pyongyang, March 18 (XINHUA) -- South Korea's main opposition party and other dissident groups formed a united liaison body yesterday in their drive for constitutional revision. According to foreign press reports received here, the new alliance was announced at a meeting in Seoul attended by leaders of South Korea's main opposition New Korea Democratic Party (NKDP), the Council for Promotion of Democracy headed by two top dissidents Kim Tae-chung and Kim Yong-sam, the 19-group United Peoples Movement for Democracy and Unification, the four-million-member strong Christian Council of Churches and the Catholic Justice and Peace Commission.

The opposition leaders said in a joint statement after the meeting that they bestow great significance to the united body, which is aimed at promotion of democracy. Foreign observers in Seoul described the alliance as the opposition and dissident groups' "first attempt" of united action against the South Korean regime.

It was reported that Cho Nam-ki, chairman of the South Korean Christian Council of Churches, released yesterday the name list of more than 1,000 clergymen who joined the "10 million signature campaign" -- a movement launched last month for collecting 10 million signatures on a petition demanding electoral reform and constitutional revision. Cho also announced the establishment of a "pan-Christian committee to promote a democratic constitution" by the council. He accused the authorities of suppressing the people's will to revise the "Constitution."

It was revealed that over 100 priests and 2,000 followers of South Korean Catholic churches also signed their names on the petition. Since opposition leaders rejected last month South Korean "President" Chon Tu-hwan's decision that no constitutional changes be taken until after 1988, when his term expires, the "10 million signature campaign" has been gaining momentum.

U.S. 'SPY' PLANE VIOLATES DPRK AIRSPACE

OW180801 Beijing XINHUA in English 0653 GMT 18 Mar 86

[Text] Pyongyang, March 18 (XINHUA) -- An American "SR-71" high-speed, high-altitude reconnaissance plane twice violated the airspace of the northern part of Korea on Monday, according to the KOREAN CENTRAL NEWS AGENCY. The aircraft was reportedly carrying out a "spy-flight" over the coastal waters south of the Kangnyong Peninsula in the northern part of Korea and the waters around Kosong, to the east.

Yesterday's flight was the 24th intrusion of an American reconnaissance flight into the northern part of Korea, since the U.S. and South Korea "Team Spirit-86" joint military exercises began on February 10, the report said.

DPRK PEACE COMMITTEE CALLS FOR ANTIWAR MOVEMENT

OW180809 Beijing XINHUA in English 0735 GMT 18 Mar 86

[Text] Pyongyang, March 18 (XINHUA) -- The Korean National Peace Committee (KNPC) appealed to all the countries in the world to intensify the anti-war and anti-nuclear movements in the International Year of Peace, according to a newspaper report here today. The statement is carried in an appeal issued Monday.

Hailing the United Nations' decision of setting 1986 the International Year of Peace as a "positive" one, KNPC expressed "active support" to it.

It said that the increasing danger of a new world war due to the imperialist aggression and war policies has caused general anxiety in the international community. It added that the Korean people will work hard to make the Korean peninsula a nuclear-free and peaceful zone in the International Year of Peace. The appeal also called for support from the U.N. and foreign governments to the Democratic People's Republic of Korea in its effort to realize peace and the reunification of Korea.

ZHANG JINGFU MEETS JAPANESE BUSINESS DELEGATION

OW140933 Beijing XINHUA in English 0914 GMT 14 Mar 86

[Text] Beijing, March 14 (XINHUA) -- State Councillor Zhang Jingfu met a delegation led by Michio Mutaguchi, vice-president of the Japan International Co-operation Agency, here today. They exchanged views on the strengthening of technological cooperation between the two countries.

The Japanese visitors arrived here on Wednesday, and will attend the opening of a business management training center -- a Sino-Japanese joint venture -- in Tianjin this weekend. The Japanese partners have provided some of the center's teaching equipment, will send teachers to China and will help trainees undertake advanced study in Japan.

JAPANESE-AIDED MANAGER TRAINING CENTER OPENS

OW170954 Beijing XINHUA in English 0856 GMT 17 Mar 86

[Text] Tianjin, March 17 (XINHUA) -- A center jointly run by China and Japan to train managers of enterprises in China was opened here today. More than 150 Chinese managers have been enrolled for one-year training courses. The center covers a floor space of 12,700 square meters. A co-operative project of the Chinese and Japanese Governments, the center has been constructed by the Chinese side. Japan is providing textbooks and other teaching facilities, and will help train its Chinese teachers. Some Japanese managerial experts may also teach there.

The center has 55 Chinese teachers, 25 of whom have received two years' professional training in Japan. Courses on offer include the management of production, product quality, marketing, financial affairs, business information and oral Japanese. Students must first sit entrance examinations, and must be enterprise managers or chief engineers under the age of 45 who have had a college education. The center also plans to run four-month and two-week courses. A Sino-foreign training center for enterprise managers has already been opened in the northeast city of Dalian, and there are plans to open six more.

SINO-JAPANESE LEASING COMPANY OPENS IN SHANGHAI

OW131555 Beijing XINHUA in English 1504 GMT 13 Mar 86

[Text] Shanghai, March 13 (XINHUA) -- A Sino-Japanese joint venture leasing company was opened here today. The company is jointly run by the Shanghai branch of the Industrial and Commercial Bank of China, Shanghai Trust and Information Company of the Bank of China, the Shanghai branch of China National Machinery Import and Export Corporation, and Toyo Trust and Banking Co. Ltd, Nissho Iwai Corp., and Nichmen Corp.

With a registered capital of three million U.S. dollars, the company deals in the renting and leasing of China or foreign-made mechanical, electric, and instrument products.

HU YAOBANG SAYS PRC SUPPORTS CGDK PROPOSAL

OW180917 Beijing XINHUA in English 0909 GMT 18 Mar 86

[Text] Beijing, March 18 (XINHUA) -- China supports the proposal for a political solution to the Kampuchea question made by the Coalition Government of Democratic Kampuchea, Chinese Communist Party leader Hu Yaobang said here today. Hu, general secretary of the Chinese Communist Party Central Committee, made these remarks at a meeting with Prince Norodom Sihanouk, president of Democratic Kampuchea, and Madame Sihanouk, as well as Son Sann, prime minister of the Coalition Government, and Khieu Samphan, vice-president of Democratic Kampuchea in charge of foreign affairs, here this morning.

Hu said that the proposal for a political solution to the Kampuchea question, which is historically significant and reasonable, shows the sincerity of the Coalition Government. He said the proposal is not only in the interest of the entire Kampuchean people, but is also a far-sighted principle for eliminating "hot spots" for war in Southeast Asia so as to win peace and stability there. This proposal, which also takes into full consideration the interest of the Vietnamese people, is a generous one, he added. Hu said that neither Democratic Kampuchea nor China has evil designs on Vietnam.

Since Vietnam dispatched its troops to Kampuchea, Hu said, China has been warning Hanoi that such an action would lead it into a quagmire, expressing the hope that it would withdraw its troops from Kampuchea and correct its mistake. However, "Vietnam turned a deaf ear to our well-meaning advice," Hu said. Hu said that China has stated repeatedly that the traditional Sino-Vietnamese friendship would be restored if Vietnam withdrew its troops from Kampuchea. But Vietnam has not listened to this proposal, he added. On the contrary, Hu said, Vietnam has spread rumors continuously, sowing discord among China and countries in Southeast Asia, between the peoples of China and Vietnam, and among the three parties of Democratic Kampuchea.

Hu reiterated that China stands firmly on the side of the three patriotic forces of Democratic Kampuchea and fully supports their struggle for saving the country until their final victory. Hu pointed out that the Kampuchean people's struggle is not an affair which only concerns them, but also has a bearing on peace in Southeast Asia and the world as a whole.

Hu told the Kampuchean leaders that China is pleased to see that more and more international forces are showing sympathy and support for the struggle of Democratic Kampuchea. He said that the international community will extend more powerful support to the Kampuchean people in their struggle, following the announcement of the latest proposal. Hu expressed the belief that, with increasing international support, a reasonable solution to the Kampuchea question will be realized.

He congratulated the Democratic Kampuchean leaders on the new victory scored by the patriotic forces and people of Kampuchea in their struggle against the Vietnamese invaders during the eighth dry season. "This victory shows that Vietnam's propaganda about its war achievements last year is nothing but lies," he said.

He also congratulated them on the strengthened unity among the three parties of Democratic Kampuchea and the successful meeting the Council of Ministers of the Coalition Government held in Beijing.

Sihanouk thanked China for its firm and consistent support for the Kampuchean people in their just struggle. He agreed with Hu's views on the Kampuchea question. He said that the proposal made by the three parties of Democratic Kampuchea for a political solution to the Kampuchea question is aimed at letting the world know they are not hostile to Vietnam and the Heng Samrin regime, but wish for an independent and unified Kampuchea, and win broader world sympathy and support. He believed that the proposal would draw international attention.

"With this sincere proposal," he said, "more and more countries will support us and exert greater pressure on Vietnam." He said, "Through strengthened armed struggle of the three parties on the battlefield plus international support, spring will certainly come to Kampuchea."

Son Sann said that the successful visit by the leaders of the Coalition Government to China last year demonstrated the unity of the three parties in their struggle against the Vietnamese invaders. Now they have won another victory by meeting in Beijing and issuing the proposal for a political solution to the Kampuchea question. He also thanked China for its support for the proposal.

Khieu Samphan said that the three parties will further their unity and push forward their struggle against the Vietnamese invaders.

Chinese State Councillor and Foreign Minister Wu Xueqian was present on the occasion.

PRC SOURCES DENY NAVAL EXERCISES WITH U.S.

OW180959 Tokyo KYODO in English 0955 GMT 18 Mar 86

[Text] Beijing, March 18 KYODO -- A Chinese destroyer and oil supply ship did not conduct joint naval exercises with U.S. warships in January, Chinese diplomatic sources said Tuesday. The sources said the Chinese ships merely exchanged greetings when they encountered the U.S. ships on their way back to Shanghai from a goodwill tour of Pakistan, Sri Lanka and Bangladesh. Some Japanese newspapers earlier reported that warships of China and the United States conducted joint military exercises at sea.

HONG KONG HOSTS SYMPOSIUM ON PRC REFORMS

OW172037 Beijing XINHUA in English 1624 GMT 17 Mar 86

[Text] Hong Kong, March 17 (XINHUA) -- An international symposium on the China's current reforms opened here today. The four-day symposium, sponsored by the Asian Research Centre of the Hong Kong University, will deal with China's economic restructuring as well as reforms on law, science, education and their influence over the world. Participating are 60 scholars from China, Federal Germany, the United States, Britain, Canada, Australia, Taiwan and Hong Kong, according to an organizing official.

CAAC TO LAUNCH GUANGZHOU-BANGKOK FLIGHT SERVICE

OW171337 Beijing XINHUA in English 1326 GMT 17 Mar 86

[Text] Guangzhou, March 17 (XINHUA) -- An air service between Guangzhou and Bangkok will be launched on April 7, the CAAC Guangzhou administration announced today. A round-trip flight will be made every Monday on the route -- the first international service to be run by the administration. The existing Beijing-Guangzhou-Bangkok service, run by the CAAC administration, will continue.

RADIO BEIJING CITES LAUREL ON NEW CONSTITUTION

HK170523 Beijing International Service in Tagalog 1130 GMT 15 Mar 86

[Text] In Manila Vice President and Foreign Minister Salvador Laurel said the Philippine Government is prepared to hold a referendum over the issue of a new constitution. He also said the government hopes to hold local and congressional elections before the end of the year. The PHILIPPINE NEWS AGENCY reported that Laurel made this statement when he received the ambassadors and charges d'affaires from the European Community at the Foreign Ministry. Laurel said the commission which will draft the new constitution will be made up of 30-50 members. Among the new constitution's main provisions will be a 6-year term for the president without reelection, a bicameral congress and senate elected by region, limits to the president's power to proclaim martial law, and the holding of regular elections.

PNA reported that Laurel also proposed that ASEAN should speak with one voice. He urged the setting up of an ASEAN central trading post to promote intraregional trade which will conserve dollars for the ASEAN countries. Laurel said he would propose the plan at the next ASEAN ministers' meeting, to be held in Bali, Indonesia. He also said he would propose that ASEAN members should agree not to use dollars. Laurel made this statement to the ambassadors from the five ASEAN nations who also called on him at the Foreign Ministry. The envoys said they welcomed Laurel's proposal.

PHILIPPINE VICE PRESIDENT MEETS ASEAN ENVOYS

OW141756 Beijing XINHUA in English 1449 GMT 14 Mar 86

[Text] Manila, March 14 (XINHUA) -- Vice President and Foreign Minister Salvador Laurel stressed that the Association of South East Asian Nations (ASEAN) needs to speak with only "one voice", the PHILIPPINE NEWS AGENCY reported today. He made the suggestion when ambassadors of the five ASEAN member-countries called on him in the Foreign Ministry. With one voice, Laurel said, the ASEAN nations will gain the respect of the entire world. "We can disagree among ourselves and argue behind closed doors, but the moment we step out of that door we must speak with one voice," he said.

Laurel also proposed an ASEAN "central trading post" to promote intra-regional trade and conserve dollars among ASEAN countries. Laurel said he would propose the plan during the ASEAN foreign ministers' meeting in April in Bali, Indonesia, which will be also attended by U.S. President Reagan.

Under the proposal, he said, ASEAN members would trade through the central clearing house without paying for their purchases in dollars. This will not only save dollars, but also enable ASEAN members to buy goods at cheaper prices because of proximity, encourage intra-regional trade and reduce unemployment in the region.

The ASEAN envoys welcomed the proposal.

MARCOS WANTS TO SETTLE IN THIRD COUNTRY

OW151554 Beijing XINHUA in English 1508 GMT 15 Mar 86

[Text] Manila, March 15 (XINHUA) -- Deposed Philippine President Ferdinand Marcos wants to settle in a third country because of possible lawsuits against him in the United States, his former political affairs minister said today. Leonardo Perez, a close political ally of Marcos, said the ousted leader phoned him last night that he wants to settle either in Singapore, Japan, Jakarta or Bangkok. "He was overly concerned about those lawsuits involving him and his family should he decide to settle in the U.S.," Perez said. Marcos and his family are now in Hickam Base in Honolulu after fleeing the country.

Marcos who ruled the country for 20 years is now facing lawsuits involving payoffs he allegedly received for U.S. firms for certain projects and claims for repatriation of what the government of President Corazon Aquino considers as illegally acquired wealth. He said Marcos wants to go back to the country should he find the situation has normalized and should the Aquino Government allow him.

MARCOS WANTS TO LEAVE U.S., GO TO SPAIN

OW170140 Beijing XINHUA in English 0122 GMT 17 Mar 86

[Text] Washington, March 16 (XINHUA) -- Former Philippine President Ferdinand Marcos has asked the Reagan administration to help him leave the United States for Spain or some other countries, THE NEW YORK TIMES quoted some U.S. officials as saying. Marcos, who is now staying in Hawaii, has told U.S. State Department officials that he has decided to leave the United States for another country, the officials revealed. Marcos's first choice is Spain and his other top choices are Mexico and Panama.

Marcos has complained that he was not receiving the respect and dignity promised him by President Ronald Reagan, the officials told reporters. Because of these concerns, Marcos has got in touch with some foreign countries directly or through intermediaries about leaving Hawaii. Most recently he asked the State Department to intercede on his behalf, they said.

According to some State Department officials, Marcos had initially expressed interest in leaving for Singapore or some other members of the Association of South-East Asian Nations (ASEAN). But the new Philippine Government has informed those countries that it would regard it as an unfriendly act if one of the nations allows him to settle there, they added.

Marcos will go to Spain because he still has an interest in Spanish culture, the TIMES said.

Another administration official said that Marcos had been assured that he could always come back to the United States.

Asked whether the administration wanted Marcos to leave the United States, a State Department official replied, "Marcos is free to stay here as long as he wants and go as he pleases." Many of the 90 people who fled Manila with Marcos want to stay in the United States and the others will probably return to the Philippines, U.S. officials disclosed.

U.S. WILLING TO HELP PROBE MARCOS' WEALTH

HK180457 Beijing International Service in Tagalog 1130 GMT 17 Mar 86

[Text] The U.S. Government has promised to cooperate with the Philippine Government commission investigating the U.S. properties of deposed president Ferdinand Marcos, said the commission chairman Jovito Salonga. The Reagan administration has agreed to provide Salonga with copies of pictures of the wealth Marcos brought with him on his flight to Hawaii last month.

Salonga, who arrived in Washington last Friday, also said that he looks forward to more productive relations between the Philippines and the United States.

PHILIPPINE PRESIDENTIAL PALACE OPEN TO PUBLIC

OW141815 Beijing XINHUA in English 1617 GMT 14 Mar 86

[Text] Manila, March 14 (XINHUA) -- About 10,000 citizens trooped into Malacanang Palace today to catch a glimpse of the lavish life style of the Marcos family. It was the first day the presidential palace opened to the public.

Presidential spokesman Rene Saguisag told newsmen that the Malacanang's conversion into a museum displaying the life style of the Marcos family will trigger an influx of tourists. However, he said, such a tourist boom was not the main objective. "We want to show to the entire world the lavish life style of the Marcos while millions were suffering from grinding poverty," he said.

Being displayed was Mrs. Marcos' room that showed priceless antiques, rare paintings, expensive perfumes and numerous personal properties. Former President Marcos' room was also opened. It includes a dialysis machine for his kidney disease and various medical contraptions there.

UK REJECTS NEW SOVIET DISARMAMENT PROPOSAL

OW180224 Beijing XINHUA in English 0142 GMT 18 Mar 86

[Text] London, March 17 (XINHUA) -- Foreign Secretary Geoffrey Howe today dismissed the latest Soviet proposal for the abolition of nuclear weapons in Britain as "propaganda." Speaking at a luncheon for foreign and British reporters here, Howe said that the Soviet Union was trying to pressure Britain into giving up any credible deterrent, and that giving away Britain's deterrent "would not be giving peace, but war, a better chance."

Howe's speech today was the first authoritative explanation of Britain's rejection of the January 15 proposal by Soviet leader Mikhail Gorbachev. Earlier this month Prime Minister Margaret Thatcher rejected the Soviet proposal in a letter delivered to Moscow by Britain's ambassador. General disarmament should be the long-term aim, and simply making Europe safe from conventional war was no way to preserve its future, Howe added.

The Soviets proposed in January that within five to eight years, there should be 50 per cent cut in U.S. and Soviet strategic weapons, the elimination of all medium-range missiles in Europe and a freeze of British and French nuclear deterrents. "The new set of conditions is -- bogus," Howe said. "It is a bid for unilateral advantage."

The Soviets regarded the British Polaris and Trident systems as the equivalent of Soviet SS-20 missiles, which should all be included in the U.S.-Soviet arms talks in Geneva. The Soviets were inconsistent in that argument, Howe said, adding that they have forgotten about "the whole panoply of other systems they have within range of Britain and our European allies." "Even while the Geneva negotiations are on, the new SS-25 is being deployed and the SS-24 developed and tested" in the Soviet Union, Howe noted.

Describing the new Soviet leader as bolder and more active than his predecessors, the British foreign secretary said Britain was prepared to meet Gorbachev half-way if the Soviets made some real efforts to restore East-West confidence. There would have to be deep cuts by the superpowers before Britain reconsidered its position, Howe stressed.

BELGIANS PROTEST U.S. MISSILE DEPLOYMENT

OW170748 Beijing XINHUA in English 0725 GMT 17 Mar 86

[Text] Brussels, March 16 (XINUHA) -- Nearly 2,000 Belgians held a demonstration near a missile base in Florennes, southern Belgium today, protesting the deployment of U.S. missiles here. The demonstrators held posters which said "you deploy missiles, we plant trees." They planted Japanese cherry trees near the base in commemoration of the nuclear explosion at Hiroshima Japan, in August 1945.

A demonstration for the same purpose was held yesterday with some 120 demonstrators detained after they tried to block access to the missile base. But, they were released today, police said. The first 16 U.S. missiles were installed on the base in mid-March, 1985, and another 32 missiles are planned for deployment in late 1987.

QIAO SHI MEETS FINNISH DELEGATION 17 MARCH

OW171250 Beijing XINHUA in English 1238 GMT 17 Mar 86

[Text] Beijing, March 17 (XINHUA) -- Qiao Shi, Political Bureau and Secretariat member of the Chinese Communist Party Central Committee, met here today a delegation from the Finnish People's Democratic League. The delegation is led by Reijo Kakela, general secretary of the league and a Political Bureau member of the Finnish Communist Party.

Qiao and Kakela talked on relations between the two parties. Qiao also asked Kakela to convey to leaders of the Finnish Communist Party his greetings and invitation to visit China. Zhu Liang, head of the International Liaison Department of the Chinese Communist Party Central Committee, was present at the meeting.

LI TIEYING AT IRISH AMBASSADOR'S RECEPTION

OW170947 Beijing XINHUA in English 0859 GMT 17 Mar 86

[Text] Beijing, March 17 (XINHUA) -- Irish Ambassador to China Dermot Patrick Waldron gave a reception at the Embassy here today to mark the national day. Li Tieying, minister of electronics industry, and other Chinese officials were present on the occasion.

NAZI GROUP CLAIMS PALME ASSASSINATION

OW141819 Beijing XINHUA in English 1625 GMT 14 Mar 86

[Text] Stockholm, March 14 (XINHUA) -- A group calling itself "European National Socialist Union" (ENU) has claimed in a letter the responsibility for the assassination of former Swedish Prime Minister Olof Palme, the Swedish news agency TT said today. The group said, "We are behind the killing of Palme" and that Willy Brandt, chairman of the West German Social Democratic Party, a former chancellor and a 1971 Nobel Peace Prize winner, "will be the next victim", the news agency said.

The letter sent to the Swedish news agency TT, said that "the ENU sentenced Olof Palme to death at its annual conference in Berchtesgaden last September. ENU leaders from 13 European countries and the United States attended that meeting." Berchtesgaden was the bastion of Nazi leader Adolf Hitler. The group which described itself as a Nazi organization claimed that the purpose of Palme's killing is "to free the world from those politicians who are paving the way for Bolshevism." The group also vowed that it will reach the goal with the help of sympathisers in the Army, police and other organizations. The Swedish security department sources, however, said that they have no information about the group.

Meanwhile, the West German Interior Ministry said today that the Nazi group claiming to have killed Palme appeared to be Swedish-based. Ministry spokesman Hans-Guenther Kowalski told reporters that "German security services have no information that the ENU is active outside Sweden and, in particular, no information that it met in Berchtesgaden last year." "German security services encountered this organization only once, in 1972, and as a Swedish organization, when the ENU threatened to murder Brandt," he said, adding that they had had no knowledge of the group since then.

POLISH COUNCIL VICE CHAIRMAN MEETS ENVOY

OW151727 Beijing XINHUA in English 1635 GMT 15 Mar 86

[Text] Warsaw, March 15 (XINHUA) -- Polish vice chairman of the Council of Ministers Wladyslaw Gwiazda met with the Chinese Ambassador Wang Jinqing here today. Wladyslaw Gwiazda and Wang Jinqing exchanged views on the forthcoming conference to be held in Poland by the Sino-Polish Economic, Trade, Scientific and Technological Cooperation Committee.

POLAND-PRC FRIENDSHIP SOCIETY MEETS IN WARSAW

OW180248 Beijing XINHUA in English 0244 GMT 18 Mar 86

[Text] Warsaw, March 17 (XINHUA) -- The plenary session of Polish-Chinese Friendship Society was held here today to review its past work and adopt a new working plan and the society's constitution. The agreement adopted at the session stressed that the society aims at increasing friendship and cooperation between the two countries and introducing Polish people to Chinese culture and history, social economic achievements and the daily life of Chinese people. The society announced that it will take part in the Polish patriotic movement of national rebirth and in the activities of the Polish International Year of Peace. Edward Grzywa, Polish minister of chemistry and light industry was elected chairman of the society.

XINHUA INTERVIEWS POLISH WRITERS' UNION PRESIDENT

OW160908 Beijing XINHUA in English 0829 GMT 16 Mar 86

["Polish Writers' Union Has 700 Members (by Wen Youren and Shan Xi)" -- XINHUA headline]

[Text] Warsaw, March 15 (XINHUA) -- The chairman of the new Polish Writers' Union said today that his union, which sticks to an open policy towards writers and encourages different styles in literary creation, already has more than 700 members. Wojciech Zukrowski, an independent 70-year-old well known Polish writer who was elected chairman of the union at its second congress late last month, was interviewed by XINHUA at his office here today. He said among the well-founded influential writers, only a few scores are outside the union, not all for political reasons. Some are not in the union because they want to earn hard currency for their publications and union membership could be a reason for some Western publishers to reject their works, he added. There are also writers who are veritably dissidents and refuse to cooperate with the union. But they are not many and pose no threat to the union, he said.

The new Polish Writers' Union was re-established two months after its predecessor was dissolved in August 1983 on account of its anti-government stand since the labor unrest in earth 1980s. He said that any writer can join the union, provided he accepts its constitution, and is willing to produce works needed by society. The union allows different styles of creation, leaving the judgement of their merits and demerits to the reader. He said the new leadership of the union is committed to serving all writers. Among others, it will work for higher remuneration for authors and shorter printing periods for new books. At present, it requires three years to publish a book, he noted.

Zukrowski said his union will not discriminate against those writers who are not in the union, but will help publish their works, as long as they cater to the needs of society and are artistically qualified. Even the earlier good works of those dissident writers will be reprinted, he added. Zukrowski said his union would like to increase ties with foreign writers, especially those of China and other socialist countries. The socialist countries have been following similar courses and have equally experienced zigzags of their own. It is only conducive to exchange each other's experience and lessons, he added.

LI XIANNIAN CONTINUES STATE VISIT TO EGYPT

Cairo Press Lauds Visit

OW172014 Beijing XINHUA in English 1456 GMT 17 Mar 86

[Text] Cairo, March 17 (XINHUA) -- Cairo press said today that Chinese President Li Xiannian's five-day official visit to Egypt, which started here this morning, will "open up new horizons" in developing friendly and cooperative relations between the two countries.

The English daily "EGYPTIAN GAZETTE" said in an editorial that President Li's visit will help to consolidate the bilateral relations and give impetus to the tackling of the Arab-Israeli conflict, the Iraq-Iran war and the problems of Kampuchea and Afghanistan. It recalled that Egypt is among the first Arab or African countries to recognize the People's Republic of China after its founding in 1949 and China has consistently stood by Egypt's side since 1956 when Egypt nationalized the Suez Canal. Egypt and China have played positive role in safeguarding the world peace, it said.

The "Al-AKHBAR" said in an editorial that the Chinese president's visit is expected to "open up new horizons in developing their economic and political relations." It noted that both countries have stressed the necessity to solve the Palestinian issue by the restoration of the legitimate rights of the Palestinian people including their right to self-determination.

Li Talks With Mubarak

OW171436 Beijing XINHUA in English 1430 GMT 17 Mar 86

[Text] Cairo, March 17 (XINHUA) -- Visiting Chinese President Li Xiannian and Egyptian President Husni Mubarak discussed bilateral relations and international issues here today. During a private meeting in the presidential palace, the two presidents reviewed with satisfaction the smooth development of cooperation and friendly relations between the two countries in the past years. They noted that the two countries have trusted each other as bosom friends and there exist broad prospects for the further development of the friendly and cooperative relations between the two countries.

The two leaders also discussed international problems including the Middle East issue and had common views on a wide range of subjects. They said that the Arab countries and the Palestinian people should strengthen their unity to seek a just and reasonable settlement of the Middle East problem.

Lays Wreaths at Memorial

OW171757 Beijing XINHUA in English 1705 GMT 17 Mar 86

[Text] Cairo, March 17 (XINHUA) -- Chinese President Li Xiannian this afternoon laid wreaths at a memorial of unknown soldiers and the tombs of the two late Egyptian presidents. Accompanied by Egyptian Minister of State for Foreign Affairs Butrus Ghali, the Chinese president, who is the first Chinese head of state to visit Egypt, drove from the Al-Qubbah Palace to a 30-meter high pyramid-style memorial at the Nile embarkment in Nasr City to memorize those who had devoted their lives to the defence of their [words indistinct] motherland [words indistinct] Israeli invasion.

Li [words indistinct] a tribute to the memorial of fallen Egyptian soldiers [words indistinct] respectively at the tomb of the late president Muhammad Anwar al-Sadat and of the late president 'Amal 'Abd al-Nasir. Li is scheduled to attend a state dinner given by President Husni Mubarak in his honor this evening.

Mubarak Hosts Banquet

OW171940 Beijing XINHUA in English 1917 GMT 17 Mar 86

[Excerpts] Cairo, March 17 (XINHUA) -- Egyptian President Husni Mubarak gave a banquet this evening in honor of visiting Chinese President Li Xiannian. China's national anthem was played when President Li and his wife Lin Jiamei entered the banquet hall of the Al-Qubbah Palace, accompanied by President Mubarak and his wife Suzanne Mubarak.

Both Mubarak and Li in their speeches paid high tribute to the friendship and cooperation between the two countries. Mubarak praised China's ancient civilization and its contributions to the world as well as the long-standing friendship between the Chinese and Egyptian peoples. The 30th anniversary of the establishment of diplomatic relations between Egypt and China will be celebrated in a few weeks, he said.

Recalling his China visit in 1983, the president said the visit laid down the foundations aimed at intensifying cooperation in all domains. "It was our genuine will to fasten ties of friendship and cooperation between our two ancient peoples and countries," he said.

The band played the national anthem of Egypt when the banquet came to an end. Present at the banquet on the Egyptian side were Rif'at al-Mahjub, speaker of People's Assembly, 'Ali Lutfi, prime minister, Subhi 'Abd al-hakim, speaker of Shura (consultative) Council, and other cabinet ministers and on the Chinese side were Chen Muhua, state councillor of China, and Wen Yezhan, Chinese ambassador to Egypt.

Li on Palestinians, Superpowers

OW171946 Beijing XINHUA in English 1926 GMT 17 Mar 86

[Text] Cairo, March 17 (XINHUA) -- Chinese President Li Xiannian said China firmly supports the struggle of Palestinians and other Arab peoples to recover lost territories and to regain their national rights. He made the pledge at the welcoming banquet in his honor hosted by Egyptian President Husni Mubarak. "China supports the convocation of an international conference under the auspices of the United Nations with the participation of all the parties concerned to discuss a settlement of the Middle East question," he said. He pointed out that the problem of Palestine is the crux of the Middle East question, saying peace would be realized only when there can be a fair and reasonable settlement of Palestinian problem, withdrawal of Israeli troops from the occupied Arab territories, and recognition of Palestinians' rights.

Li urged Israeli authorities to abandon their policy of aggression and expansion so there can be peaceful coexistence in this region. He said because of the many years of instability, settling the Middle East question has been prolonged due to Israeli authorities' obduracy in pursuing policies of aggression and expansion. "The rivalry between the superpowers in this region has further complicated the question," the president added.

Li said once unity and cooperation are strengthened among the Arab countries, between the Arab countries and the Palestine Liberation Organization, and among Palestinians themselves, and provided they gain world sympathy and support, they will win their struggle. Concerning other international issues, Li said that "China welcomes the resumption of the dialogue between the United States and the Soviet union and that of their disarmament negotiations." "We hope they can reach an agreement through serious negotiations," the president stated. Li said "The forces making for peace have now outgrown the factors of war. It is possible to achieve enduring world peace so long as the various forces making for peace strengthen their unity and persist in their struggle." The Chinese people are ready, together with all peace-loving countries and peoples in the world, to do their utmost for the realization of this bright prospect, he declared.

Li praised the relations between Egypt and China, saying a traditional friendship exists. Egypt was the first Arab country to establish diplomatic relations with new China, he noted. "Despite the volatile world situation in the last 30 years since the establishment of diplomatic relations between China and Egypt, the friendship between our two countries and two peoples has withstood the test of time and been further strengthened in our common struggles," President Li said. Egypt is the third stop of his Asian-African tour, after visits to Bangladesh and Sri Lanka. Li will go to Somalia and Madagascar.

Mubarak Praises Friendship

OW171950 Beijing XINHUA in English 1934 GMT 17 Mar 86

[Text] Cairo, March 17 (XINHUA) -- Egyptian President Husni Mubarak said today that his talks with visiting Chinese President Li Xiannian "will constitute a concrete contribution" to deepening friendship and cooperation between the two countries. Speaking at a banquet in honor of the Chinese president, President Mubarak said his talks with the Chinese president today "will constitute a concrete contribution to strenuous efforts exerted with a view to deepening bonds of friendship and solidarity and to exchanging common experiments and experiences gained."

Shortly after President Li's arrival here today for a five-day official visit, President Mubarak and President Li discussed bilateral relations and international issues, including the Middle East problem. Reviewing the history of friendly and cooperative relations between the Egyptian and Chinese people, Mubarak said that the interests and objectives of the Egyptian people are always identical to those of the Chinese people since the very dawn of history. "There was a firm belief that both Chinese and Egyptian civilizations in the Far East and the Near East constituted the essence of a common drive whose perspectives were very similar and whose goals and ends were identical," he said. It was natural for Egypt to be "the first Arab and African state to recognize the People's Republic of China, maintain diplomatic relations therewith and support her right to assume a prominent role in the international arena," he added.

He praised China for being in the vanguard of forces that sided with the people of Egypt while struggling for liberating their territories and defending their rights, inviolabilities and free will. He pointed out that China topped the countries that supported the just struggle of Arab and African peoples to attain political, economic and cultural independence, to liquidate remanent traces of exploitation and foreign hegemony and to build up capabilities to wage a battle of economic and social development in favorable regional and international conditions.

HU QILI RECEIVES CONGOLESE LABOR PARTY GROUP

OW151706 Beijing XINHUA in English 1636 GMT 15 Mar 86

[Text] Beijing, March 15 (XINHUA) -- Hu Qili, member of the Political Bureau of the Chinese Communist Party Central Committee, met a delegation from the Congolese Labor Party here this evening. Head of the delegation is Goma Foutou, member of the Secretariat of the Congolese Labor Party and chief of ideological and political training department.

During the meeting both Hu and Foutou agreed to further develop friendly relations and cooperation between the two parties and the two countries. Later, Hu, also member of the Secretariat of the CPC Central Committee, gave a dinner for the visitors. After their arrival in Beijing on March 13 the Congolese visitors held talks with Zhu Liang, head of the International Liaison Department of the CPC Central Committee, and called on Zhu Houze, head of the Propaganda Department of the CPC Central Committee. They also visited the PEOPLE'S DAILY and were well-received by Editor-in-Chief Li Zhuang.

SYRIAN BA'TH PARTY DELEGATION LEAVES FOR PRC

OW161058 Beijing XINHUA in English 0914 GMT 16 Mar 86

[Text] Damascus, March 16 (XINHUA) -- A Syrian Ba'th Party delegation left here today for China for a five-day visit. The 3-men delegation is led by member of the national leadership of the Ba'th Party Muhammad Jabir Bajbuj. This is the first Syrian Ba'ath delegation to visit China.

Bajbuj expressed his hope to Chinese Ambassador to Syria Lin Zhaonan, who was present in the airport seeing the delegation off, that the visit of the delegation will contribute for the development of relations between the Ba'th Party and the Chinese Communist Party and between the two countries. Member of the delegation Yasir al-Farah, a leading member of the Foreign Affairs Bureau of the Ba'th party national leadership, said to XINHUA that an agreement for cooperation between the Syrian and Chinese parties will be signed during the visit.

XINHUA NOTES SAUDI ARABIAN AID TO PLO

OW172022 Beijing XINHUA in English 2001 GMT 17 Mar 86

[Text] Sanaa, March 17 (XINHUA) -- The government of Saudi Arabia recently delivered 2.85 million U.S. dollars in aid to the Palestine Liberation Organization (PLO) in accordance with the decision of the Arab summit in 1978 in Baghdad, Saudi Arabia daily "THE MIDDLE EAST" reported today. The representative of the PLO at Riyadh 'Abu Shakir [Rafiq al-Natshah] expressed thanks to the king and the people of Saudi Arabia for their support to the Palestinian cause, the newspaper said.

PLO Chairman Yasir 'Arafat left Riyadh yesterday after a short visit. He held talks with Saudi King Fahd during the visit.

CPC PROPOSAL FOR SEVENTH 5-YEAR PLAN VIEWED

HK100645 Beijing LILUN YUEKAN in Chinese No 1, 25 Jan 86 pp 1-9

[Article by Yuan Mu: "Discussing Questions Concerning the Study of the Seventh 5-Year Plan Proposal" -- based on Comrade Yuan Mu's October 1985 report at the Central Party School, with headings inserted by the editor]

[Text] The "proposal of the CPC Central Committee on the Seventh 5-Year Plan for national economic and social development" is a correct program guiding the formulation of the Seventh 5-Year Plan for our country. Undoubtedly, it is extremely important to make its guiding ideology become the basis for unifying people's thinking and the guideline for action through the study of the "proposal." I shall primarily talk about the following three issues in light of my personal understanding and study.

I. A Brief Introduction to the Drafting of the "Proposal" and Its Main Characteristics

The birth of the "proposal" is a product of the principle of democratic centralism, the spirit of seeking truth from facts, and the mass line restored and developed by our party. It is a crystallization of the wisdom of the whole party and the practical experiences of the people.

This "proposal" was drawn up after a year of deliberation under the direction of the Central Committee Secretariat and the State Council led by Comrades Yaobang and Ziyang. The specific drafting work began in April, 1985, and lasted for nearly half a year. Through writing and rewriting time and again and until early May when the fourth draft was discussed by the drafting group, the Central Committee Secretariat approved it in principle but raised many important suggestions for revisions. In light of the discussion, the document was conscientiously revised to become the fifth draft; the central authorities decided to solicit opinions on a wider scale. During the middle 10 days of July, the Central Committee Secretariat and the State Council called a discussion meeting in Beijing, attended by more than 200 people, including leaders in party government, and military departments at the central level, noted economists, middle-aged and young workers in economics theory, workers in natural science as well as the responsible leading comrades of 10 provinces, municipalities, and autonomous regions and the leaders of some large enterprises. Meanwhile, members of the standing committees of the CPC Committees of all the provinces, municipalities, and autonomous regions also called discussion meetings attended by comrades responsible for actual economic works and engaged in the work of economic theory.

Central authorities also distributed draft copies to all members of the Central Committee, Central Advisory Commission, and Central Discipline Inspection Commission in Beijing, asking them to read it carefully and make suggestions for revisions. More than 1,000 people were involved in attending collective discussion meetings and individual readings to offer opinions. Thus, through soliciting opinions on such an extensive scale, major revisions were made to form the sixth draft. At an enlarged meeting held on 20 August, the Central Committee Political Bureau adopted the document in principle but also raised some important suggestions for revisions. The seventh draft, shaped through further revision in light of the discussion of the Political Bureau, was later distributed to all the delegates of the party conference, requiring them to carry out earnest discussions before the conference. Meanwhile, the CPC Central Committee also directly called a symposium of people from all democratic parties and of nonparty democratic personages to solicit their opinions. On this basis, the eighth draft was formed and submitted to the fourth plenary session of the party committee and the national party conference for examination and approval.

Eventually, following full discussions at the two conferences and after more than 100 major or minor points were revised, the ninth draft was adopted by the national party conference.

Following the 3d Plenary Session of the 11th CPC Central Committee, just as in the process in which the "proposal" was drafted, some important decisions of our party and some important documents of overall importance were also worked out in this way of extensively soliciting opinions, completely following the mass line and pooling the wisdom of the whole party and the people. In recent years, the reason our party's lines, lines, major principles, and policies have been correct and agreeable to the popular sentiments of the party and the people, giving free rein to its great might and enriching and developing in practice, is inseparable from the restoration and development of this fine party tradition.

Based on a scientific analysis of the domestic and international situation, the "proposal" has put forward guiding principles and struggle goals which confirm to objective realities and has correctly programmed a basic blueprint for reform and construction in the coming 5 years. It does not elaborate on various targets for economic and social development in our country but emphatically expounds the principles and policies and the development strategies for our country's socialist modernization construction, requiring people to give prominence to this point in formulating the Seventh 5-Year Plan and subsequent medium- and long-term plans. This is an important change in our country's planning work. According to the requirements of the "proposal," compared with previous 5-year plans, the Seventh 5-Year Plan will possess distinctive characteristics in many aspects.

First, the Seventh 5-Year Plan will be a 5-year plan highlighting reform. As a result of the reform, in recent years the situation in our country has become increasingly better year after year. In order to make the four modernizations drive and the development of the economy and society successful, gradually bringing prosperity and power to make the people well-off and happy, we must comprehensively carry forward the reform, in particular the economic structural reform. If we do not persist in reform, there will be no way out for the country and no hope for the four modernizations drive. Only under the condition of upholding reform and by respecting the creative initiative of the masses, summing up experiences while practicing and constantly perfecting the reform can we solve the new problems cropping up in the process of reform. This is most important.

Second, the Seventh 5-Year Plan will be a 5-year plan for further opening up to the outside world. Opening up to the outside world is a basic state policy of our country. Independence, self-reliance, equality, mutual benefit and mutual adherence to commitments are the basic principles upheld by us in opening up to the outside world. Despite the incidence of various problems and shortcomings in the actual work in this field not long ago, generally speaking, the implementation of the policy of opening up to the outside world has played an important role in changing the closed or semi-closed economic conditions in our country, broadening our outlook and getting an understanding of the international economic and technological developments, introducing advanced technology and key equipment, making use of foreign capital, and promoting the modernization drive in our country. Only by unswervingly and actively expanding trade, economic, and technological exchanges with foreign countries can we possibly gradually catch up to advanced countries in the world in the economy and technology.

Third, the Seventh 5-Year Plan will be a 5-year plan to uphold and implement the construction principle of seeking truth from facts and advancing steadily, strive to eliminate the current unstable factors in economic life, fight for a sustained and coordinated development of the whole economy, and build up reserve strength for the economy's takeoff in the 1990's. In order to achieve these, the "proposal" contains three extremely important policy decisions.

First, it is imperative to resolutely bring under control the scale of investment in fixed assets, especially in capital construction, and maintain a basic balance between supply and demand in general while rationally readjusting the investment structure and intensifying the construction of key projects of basic industries and the infrastructure. Second, it is imperative to gradually and appropriately slow down the current excessively high speed of industrial development, further shift all economic work onto the track of better quality and effectiveness and, on this premise, maintain sustained and stable economic growth. Third, the Seventh 5-Year Plan can be roughly divided into two stages: In the first 2 years we shall pay special attention to stabilizing the economy and maintaining the scale of construction at the 1985 level; and in the latter 3 years we shall suitably increase the investment in construction in light of needs and possibilities, limiting the general scale within the scope of what the national strength can bear. Meanwhile, the reform deployments should also be suited to the arrangements in these two construction stages. This is a correct policy decision based on the present as well as farsightedly aimed at the future.

Fourth, the Seventh 5-Year Plan is a 5-year plan better integrating economic construction with the development of science, technology, education, and society as a whole. We must further change the state of neglecting the progress of science and technology, the exploitation of intelligence, the training of talented people as well as the coordinated development of the whole society; particularly, we should resolutely implement the strategic principle that economic construction must rely on science, technology, and education. Science, technology, and education must be geared to economic construction. In the modernization construction, we should by no means lopsidedly only attach importance to departments directly engaged in material production. We must put the development of the tertiary industry serving production and daily life into an important position and gradually change the situation wherein tertiary industry does not suit the development of the primary and secondary industries.

Fifth, the Seventh 5-Year Plan will also be a 5-year plan to constantly improve the people's life. On the issue of social distribution which has a direct bearing on the improvement of the people's life, the "proposal" emphatically stresses two important guiding ideologies: First, while upholding the policy of encouraging some people to get rich first, we should clearly understand that the enforcement of this policy is for better realizing the common prosperity of the people. We should neither separate these two points nor set them against each other. At present, we should on the one hand continue to stress the principle of distribution according to work, get rid of egalitarianism and appropriately widen gaps in income and, on the other hand, take note of preventing great income disparities and gradually adopt appropriate methods such as levying progressive income taxes on high-income earners, and so on, to rationally regulate the income of various social members. Second, along with the gradual advance of the economic structural reform and the invigoration of enterprises and the economy, we should correspondingly and gradually establish and perfect various social insurance systems.

Sixth, the Seventh 5-Year Plan will also be a 5-year plan simultaneously promoting both the socialist material civilization as well as spiritual civilization. What we want to realize is only socialist modernization, not something else. We just cannot regard modernization as a concept of material production nor a concept of science and technology. Instead, it is closely integrated with the consolidation and perfection of our country's socialist system. If socialism only attaches importance to the building of material civilization to the neglect of building spiritual civilization, this kind of socialism is incomplete and even risks lopsided development or degeneration and deterioration. Therefore, we must uphold the four cardinal principles and persist in applying the basic Marxist stands, viewpoints, and methods to guide our actions while enriching and developing the theories of Marxism in practice.

II. On the Current Economic Situation in Our Country

What exactly is the economic situation in our country? This is a question of common concern to people throughout the country. Whether we can correctly assess the situation also has a bearing on whether we can correctly set tasks. The "proposal" has given an explicit answer to this. Generally speaking, the task of striving for a fundamental improvement in the financial and economic conditions of the country has been basically accomplished; a new situation of sustained, stable, and coordinated development has begun to arise in the national economy; and the prospect for a benign cycle has been unfolded. This is the generalized epitome of the current economic situation in our country; and such a judgment is based on a host of facts. This is reflected not only by the overall fulfillment and overfulfillment of our country's Sixth 5-Year Plan, but more importantly, by the many gratifying changes which will have an important impact on future long-term development that have occurred in our country's economy over the last few years under the direction of the party's correct lines, principles, and policies and through the common efforts of peoples of all nationalities throughout the country.

First, the tendency of sustained and stable growth has emerged in the national economy. In recent years, the economy in our country experienced no major ups or downs as in the past, but grew steadily. The total social output value of our country increased by 4.6 percent in 1981; 9.5 percent in 1982; 10.3 percent in 1983; and 13.8 percent in 1984. The total industrial output value grew by 4.6 percent in 1981; 8.8 percent in 1982; 10.2 percent in 1983; and 15 percent in 1984. National income increased by 4.9 percent in 1981; 8.3 percent in 1982; 9.8 percent in 1983; and 13.9 percent in 1984. It is expected that the rates of increase in 1985 will be still higher than those in 1984 (of course, this does not mean the higher the better), and that the average growth rates of these three abovementioned targets during the Sixth 5-Year Plan period will reach around 10 percent. However, during the 26 years from 1953 to 1978, the average annual growth rate of total social output value in our country was 7.9 percent, of total industrial output value 8.2 percent, and of national income was 6 percent. The statistics for these years show that, except for 1981, the average annual growth rates for the 5 years in other Sixth 5-Year Plan period are all higher than those of the previous 26 years.

Second, the main proportional relations of the national economy are gradually becoming coordinated. At present, the proportions of agriculture and light and heavy industry each roughly account for one-third of the total industrial and agricultural output value of our country. Of the total industrial output value, light and heavy industry each make up about one-half, with the proportion of heavy industry being a little bigger. In the past, being backward over a long period of time, agriculture could not meet the needs of improving people's living standards and industrial development; and as the development of light industry was too slow and the development of heavy industry was too fast, industrial consumer goods were in short supply. However, we can say now that at the present development level of productive forces this state of affairs has been gradually changed over the last few years. Of course, we do not mean that such proportions are unchangeable, but that such proportions are basically appropriate in view of the present production structure and level in our country and the consumption level of the people. With the advance of the modernization drive, some change will surely take place in the future. In terms of the proportional relationship between accumulation and consumption, in light of the practical experiences of many years since the founding of the country, it is relatively appropriate to keep accumulation at a level not exceeding 30 percent of the national income. Otherwise, the construction scale would become too large and incompatible with national strength. Through efforts made over the last few years, the situation has become as follows: In 1978, the accumulation in our country accounted for 36.5 percent of the national income, which was obviously too high. In 1982, it was lowered to 28.8 percent. In 1983, it grew slightly to 29.7 percent. In 1984, the scale of capital construction was a bit too large, with the accumulation rate being 31.2 percent, which was still much lower than that of 1978.

Generally speaking, during the Sixth 5-Year Plan period, the proportional relations between accumulation and consumption were relatively appropriate. Therefore, over the last few years there has been this gratifying situation in which production and construction are prosperously developing on the one hand and the people's living standards are generally improving on the other.

Third, as compared with the past, economic efficiency has already made headway. For instance, labor productivity in the whole society increased by an average of 3.5 percent a year during the 28 years before the Sixth 5-Year Plan period and grew by an average of 5.8 percent a year during the first 4 years of the Sixth 5-Year Plan period, or from 1981 to 1984. The newly-added national income accumulated per 100 yuan was, on average, 21.8 yuan during the 28 years before the Sixth 5-Year Plan period, but 35.6 yuan during the first 4 years of the Sixth 5-Year Plan period. The growth rates of state revenues in 1983 and 1984 exceeded the growth rates of national income. Calculated on comparable prices, the average national income created by each laborer in the whole society was 894 yuan in 1980, which increased to 1,119 yuan in 1984. Converted into standard coal, the energy consumed per 10,000 yuan of national income was 16.3 tons in 1983, which was lowered to 13.5 tons in 1984.

Fourth, on the premise of persisting in letting the socialist system of ownership by the whole people occupy the leading position and the economy of public ownership enjoy absolute predominance, we have scored great successes in developing diversified economic patterns and operational modes. This is an important achievement resulting from the policies of invigorating the domestic economy, opening up to the outside world, and economic structural reform. While upholding the whole people-owned economy as it occupies a leading position, we have actively developed collective and individual economies as well as various economic patterns such as enterprises jointly owned and run by China and foreign businessmen or enterprises solely owned and run by foreign businessmen. In recent years, the collective and individual economy proportions have increased. At present, in urban areas, the number of staff and workers in collective-owned units has risen from 24.25 million in 1980 to 32.16 million in 1984; the number of individual laborers has grown from 810,000 in 1980 to 3.39 million, and the proportion of the two of the total number of staff and workers has increased from 23.8 percent to 29.1 percent. In domestic retail commerce, the collective and individual economy proportions have shown bigger increases than before. The development of diversified economic patterns and operational modes has played an important role in invigorating the economy, making the markets flourish and things convenient for the people's living and, in particular, creating jobs for new laborers in urban areas.

Fifth, new headway has been made in economic and technological exchanges with foreign countries. During the Sixth 5-Year Plan period, we further broke with the previous long-term state of closing the door against the world, gradually shifted the closed- and semiclosed-type economy onto the track of the open-type economy and made remarkable achievements in economic and technological exchanges with foreign countries. From \$38.2 billion in 1980, the total import and export volume of our country in 1984 rose to \$53.5 billion. In terms of foreign trade volume, China already ranks 16th instead of the original 28th in the world. During the first half of 1985, China's total import and export volume reached \$30.4 billion, which is expected to top \$60 billion for the whole year. During the first 4 years of the Sixth 5-Year Plan period, our country raised \$17 billion in foreign capital, established 429 enterprises jointly run by China and foreign businessmen, and concluded more than 3,300 agreements for introducing technology and equipment with international financial organizations and foreign governments and businessmen. We also undertook engineering projects and labor services in over 50 countries and regions, involving over 1,900 contracts and a turnover of \$1.5 billion. Possessing great superiority and potential in this aspect, our country can make more headway in the future through effort.

Sixth, horizontal economic ties have further developed in our country. Setting up barriers and fetters between departments and regions at different levels and maintaining regional blockades was one of the biggest defects in our previous economic management structure. Following the reform, great changes have taken place in this aspect. From 1981 to 1983, a total of 14,619 economic and technical cooperative projects were carried out between departments and regions in the whole country. In 1984 alone, the situation developed so fast that over 17,000 cooperative projects were undertaken. The content of these cooperation projects also changed from mainly material cooperation to technological cooperation and economic alliances as well as the four-fold coordination of capital, technology, talented people, and material. Of the cooperative projects in the whole country, over half are technical cooperative projects, which will play a great role in promoting the development of the economy as a whole.

Seventh, our country has gradually attached importance to the exploitation of intelligence and the development of science, technology, and education. In our country's expenditures and total investment in capital construction, the sum and proportion of funds for science, technology, culture, and education undertakings and for capital construction have all gradually increased. From 1953 to 1978, the annual average expenditure on science and technology and education was 3.34 billion yuan, accounting for 6.1 percent of state revenues. However, during the first 4 years of the Sixth 5-Year Plan period, the annual expenditure was 13.46 billion yuan, 10.6 percent of state revenues. Of the total investment in capital construction, capital construction investment in science, technology, culture, and education also greatly increased. It was, on average, 800 million yuan per year during the period from 1953 to 1978, accounting for 3.3 percent of the total investment in capital construction. However, during the first 4 years of the Sixth 5-Year Plan period, the investment in this field was 4.77 billion yuan per year, accounting for 8.2 percent of total investment in capital construction.

Eighth, the living standards of the people in urban and rural areas have been markedly improved, the consumption structure been notably changed, and the gap between urban and rural areas narrowed. In his explanation of the proposal for the Seventh 5-Year Plan, Comrade Ziyang said that as the people's needs for food and clothing were basically met during the Sixth 5-Year Plan period, the consumption patterns of the people in our country in the Seventh 5-Year Plan period will gradually shift from meeting people's basic needs to enhancing the quality of their lives and that their consumption demands will tend to become increasingly diversified and individualized. This will provide a greater impetus for the long-term development of our country's economy. Because the income of the peasants has grown faster than that of people living in urban areas in recent years, the gap between urban and rural areas has been narrowed. From 1981 to 1984, allowing for price fluctuations, the per capita net income of peasant households progressively increased at an annual rate of 14 percent, while the annual rate of increase in the per capita net income of worker and staff households in urban areas was 6 percent. As the rate of increase for the peasants is higher than that for the urban residents, the ratio of consumption levels between urban residents and peasants has now lowered to 2.3:1 from 2.5:1 before the Sixth 5-Year Plan period.

Changes in the abovementioned eight fields fully show that the current economic situation in our country is truly excellent. The economic achievements made following the 3d Plenary Session of the 11th CPC Central Committee prove that the past few years was really one of the best periods since the founding of the country. While noting the excellent main current of the economic situation, of course, we should not overlook the problems and difficulties still existing in our present economic life. On the one hand, with many factors restricting the economic development of our country over a long time, the original economic and cultural foundation of our country was relatively weak. Although these factors somewhat changed during the Sixth 5-Year Plan period, they are far from being fundamentally solved. With a large population and a poor foundation, the material and technological conditions for our country's economic and social development are relatively backward.

Notwithstanding that great changes have taken place in the agriculture in our country, generally speaking, agriculture, the foundation of our country, is still very weak; and the needs of millions of people in the rural areas in the whole country for food and clothing have not yet been met. Although a good tendency of sustained growth has emerged in the energy production in recent years, energy supplies are on the whole still very scarce. As both freight and passenger transportation is strained, the people feel very inconvenienced in production and daily life. Because production structure and product mix are all very irrational, we still have not been able to bring about a radical change in the state of high material consumption and production cost, enormous waste, slow technological progress, and low management level. The development of science, technology, and education can not yet meet the needs of the four modernizations. With a full understanding of these facts, we can stay sober-minded, avoid being impatient for success, shun carrying out unrealistic "large-scale" constructions, and refrain from seeking solutions to those issues for which the conditions for solution are not on hand at the moment.

On the other hand, in the fourth quarter of 1984, in particular in December, some new unstable factors emerged in the economic life. These were mainly reflected in the overgrowth of industrial production, the excessive scale of investment in fixed assets and especially capital construction, the drastic growth of credit and consumption funds, the general social demand exceeding the possible general social supply, the excessive distribution of national income, the rapid rise in some commodity prices, and the drop in the state's foreign exchange reserves. These problems were absolutely not brought about by the reform. On the contrary, only by unceasingly strengthening and perfecting macro-economic management during the process of upholding and perfecting reform can these problems be gradually solved. In fact, the process of unceasingly perfecting reform and forging ahead is also a process of unceasingly solving problems. It is very important to get a clear understanding of this point, because viewing this matter from this angle is in keeping with the actual situation of the economic development and structural reform in our country and, as a result, we can strengthen our confidence in reform and unwaveringly continue to persist in doing well every reform.

We should note that after becoming aware of these new conditions and problems occurring in the economic life, the party Central Committee and the State Council promptly adopted a series of measures to earnestly solve them. Since 1985, the State Council has convened four conferences of provincial governors, stressing the strengthening of macro-economic control, regulation, and management, gradually slowing down the excessive industrial growth rate, resolutely bringing under control the excessive scale of capital construction, and applying the correct method of gradually alleviating contradictions in consideration of the fact that slamming on the brakes on might bring about bigger losses and shocks.

Through the painstaking efforts over the last year, at present the situation has improved and is heading for a turn for the better. The excessive industrial growth rate has gradually slowed down and basically become normal. The tendency of putting excessive amounts of currency into circulation and letting credit funds grow drastically has basically been brought to a halt. Another marked change is that finances are in better shape now. It is estimated that the state revenues in 1985 may exceed 170 billion yuan. Therefore, we already have the certainty of striking a balance between revenues and expenditures and wiping out deficits. At present, it is of utmost importance to conscientiously carry out various measures enacted by the State Council regarding resolutely bringing under control the scale of investment in fixed assets and especially in capital construction. As a result, the problem of drastic growth in consumption funds can be to a great extent solved and the measures for stabilizing commodity prices become effective. We must firmly grasp this "key link" of bringing under control the scale of investment in fixed assets to further eliminate the unstable factors in the economic development and consolidate and develop the current excellent situation.

III. On Some Questions of Understanding Regarding Overall Economic Structural Reform

We should seek a better unity of thinking on the question of upholding overall economic structural reform so as to better coordinate actions and strive to win the anticipated victories during the Seventh 5-Year Plan period. This will be of decisive significance to the long-term sustained and stable development of our country's economy. In the light of my personal understanding, I am going to air several preliminary opinions on some fundamental aspects of this issue.

First, it is necessary to further improve our understanding of the law of socialist social development and deepen our consciousness in upholding the reform. Whether we can consciously uphold the reform is in fact a question of whether we can consciously master the law of socialist social development. The contradictions between productive forces and production relations and between economic base and superstructure are the fundamental contradictions to promoting all social progress. The law that production relations must be suited to the nature of productive forces is a general law of human social development brought to light by Marxism.

Fundamentally speaking, in a socialist society, there is no antagonistic contradiction between production relations and productive forces and between the economic base and superstructure, and they are basically suited to each other. Nevertheless, our experiences gained in the protracted practice of socialism tell us that the consolidation and perfection of the socialist system is a historical process and that it is more so in a country like China with a relatively backward economy and culture. Because the socialist system in our country is not yet perfect, there are still many aspects and links in production relations and superstructure which do not suit the development of productive forces. As they are reflected in various systems concretely representing production relations, if we do not uphold the reform and get rid of various malpractices in the economic systems fettering productive forces, we just cannot possibly make productive forces develop prosperously and fundamentally consolidate and perfect the socialist system. In order to accomplish the general task of the party for the new period and build up a modernized socialist country with a high degree of civilization and democracy, we must consciously carry out reform, otherwise we will fundamentally contradict the law of development of socialist society. Just as Engels stressed when expounding on what socialism was: A socialist society is not changeless, and should be regarded as the same as any other social system or society needing to be constantly changed and reformed. Judged by the practice over the last few years, how have these thorough and great changes taken place and the economic situation been so good in our country?

The speech made by Comrade Deng Xiaoping at the National Conference of Party Delegates supplied a categorical answer to the question. In the speech, he pointed out that the excellent situation was hard-won and that we have primarily done two things over the last few years: First, bringing order out of chaos; and carrying out an overall reform. Bringing order out of chaos has lead our party out of the dense fog of "leftism" and reestablished the correct line of Marxism. This was a great event deciding the future and fate of our party and the country. Without the correct direction of the Marxist line, we could not possibly have such a good situation as it is. On the basis of bringing order out of chaos, the overall reform has enabled us to continue to do a lot of work to open up the way to a bright future under the direction of the correct line of Marxism. This has been proven by a host of facts and a premise on which we should first of all build a firm basic understanding on the question of how to view reform.

Second, it is necessary to be clear about the orientation, objectives, and main links of the reform. The "proposal" requires that we should basically lay a foundation for a new socialist economic system, which brims with vigor and vitality and has Chinese characteristics, in the coming 5 year or even longer. What is the most essential issue to be resolved in laying a foundation for this system?

Or, fundamentally speaking, in effecting the change from the old to the new economic system, what exactly is the old mode to be transformed and what exactly is the new mode?

The decision of the CPC Central Committee on reform of the economic structure adopted by the 3d Plenary Session of the 12th CPC Central Committee explicitly points out that socialist economy "is a planned commodity economy based on public ownership," and that it is imperative to break with the previous conventional concept of setting the socialist planned economy against the commodity economy and to integrate these two well. This is an important breakthrough made by the "decision" in the socialist economic theory of Marxism and an important theoretical creation. The commodity economy is an indispensable stage in the development of socialist development and a necessary condition for realizing economic modernization in our country. In carrying out economic structural reform, the most important and essential issue is to change the economic system in our country from the previous mode of attempting to prematurely set up the planned product economy to the mode which can meet the needs of developing the socialist commodity economy in a planned way on the basis of public ownership.

In order to carry out reform in light of this target mode, we must strive to find a whole set of operational mechanisms and regulatory means which can organically and ingeniously integrate planning with market and microeconomic invigoration with macroeconomic control. Undoubtedly, in the history of socialist practice, this is a great but arduous and complicated creative project. Just as the "proposal" points out, in carrying out reform in the light of the target mode, we should primarily grasp three things well: First, to further strengthen the vitality of enterprises, especially the large and medium-sized enterprises under the system of ownership by the whole people, so as to make them truly managers of the socialist commodity producers who are relatively independent, operate on their own, and assume sole responsibility for their own profit or loss; second, to further develop the socialist planned commodity markets, gradually perfect the market system, gradually open up and develop capital, technology, and labor service markets under strong leadership and create a relatively complete market under the guidance of socialist planning which is unified, not separate and open, not closed, and closely integrates planning with the market, and does not set them against each other; third, it is necessary to shift the state's control over the economy from the track of direct control stressing the employment of administrative means and the issuance of directives to each level to the economic operational track of indirect control stressing the application of economic and legal methods together with the necessary administrative means. These three aspects of reform are not separate but closely linked.

Third, in order to carry out reform in light of the above-mentioned target modes, we must pay attention to drawing a clear line of understanding between two respects. First, it is imperative to thoroughly get rid of the conventional concept of setting the planned economy against the commodity economy and fully understand the necessity and importance of developing the commodity economy in the stage of socialism. If we do not clearly understand this, we will be always out of tune with the whole series of reforms aimed at invigorating the economy and inclined to use those previously often-used methods and slip back into the stupid and rigid old rut whenever problems crop up in reform. Meanwhile, it is imperative to fully understand the fundamental, principled difference between the socialist commodity economy and the capitalist commodity economy. The socialist commodity economy is based on public ownership of the means of production, while the capitalist commodity economy is based on private ownership of the means of production by capitalists; the socialist commodity economy is a planned commodity economy, while the capitalist commodity economy is an anarchical commodity economy which is completely and blindly regulated by the market; the development of the socialist commodity economy is to constantly meet the material and cultural needs of the people; while the capitalist commodity economy is to serve the aims of capitalists to seek maximum profits; and under the socialist conditions in our country, neither productive forces nor the state-owned enterprises, banks, railroads or all the mineral and natural resources are commodities; but under the conditions of capitalism, everything is a commodity.

If we can not distinguish these principled differences while developing the socialist commodity economy, we will consciously or unconsciously "introduce" the capitalist concept of value into the body of our economy and society. Judged by recent practices, it is obvious that we must maintain a high degree of vigilance over such a situation.

Fourth, reform should be carried out incrementally, coordinatedly, and by stages and should not be expected to yield results overnight. Everything develops by stages, as does the reform. Economic life itself is very complex and maintains innumerable links with every aspect. As far as economic structural reform is concerned, it includes the reforms of planning, prices, finances and taxes, labor and wages, banking, foreign trade and exchange management, commerce and circulation systems, and so on. It also includes the reform of management organizations at all levels from the state to the regions, cities, enterprises, and so on. Besides, none of these reforms can be carried out in isolation. The conditions of every region and city differ greatly, and the conditions of large, medium-sized, and small cities are not the same. In terms of the relationship between the microeconomy and macroeconomy, on the one hand we should invigorate the microeconomy and vitalize enterprises, especially the large and medium-sized enterprises; on the other hand, we should not lose control of the macroeconomy. Therefore, if we want to make a success of these reforms, we should not be overanxious to make achievements. Objectively, the economic structural reform is an organic whole and should be planned as a whole and carried out incrementally and by stages. Moreover, special attention must be paid to coordination. While studying the reform measures to be adopted in one aspect, we should also seriously and carefully consider the corresponding positive or negative reactions produced in the other aspects. Otherwise, we might make mistakes.

Fifth, we should fully understand the arduousness and complexity of the reform. Fundamentally speaking, Marxism did not and could not possibly leave us ready-made modes for reform. Although the founders of Marxism pointed out that a socialist society should be a society in which changes and reforms should often take place, since there are no ready-made modes for reform, we have to grope forward under the guidance of basic Marxist theories. At present, it has already become an international trend that the management systems in socialist countries must be reformed. Some Eastern European countries set off earlier than we did, and some have already made relatively good achievements. Of course, we should and can use their experiences for reference, but we should by no means indiscriminately imitate and copy them. In the past, we already had lessons in this regard. Starting with the rural reform and then some partial reforms in urban areas, we have really accumulated a wealth of experience. However, generally speaking, the overall economic structural reform focusing on urban areas is still in a stage lacking experiences and needs to experiment. As economic life is changing all the time and involves thousands of households, the success or failure of the reform may affect the situation as a whole. The people are all very much concerned about it and fear it might go wrong. It has also become increasingly clear that reforms in the economic field must be coordinated with reforms in other fields. Otherwise, we will get half the results with double the effort. During the whole process of the reform, we should always handle well the relationship between the building of material civilization and the building of spiritual civilization. If not, some big problems might also crop up. The reform will inevitably bring about a series of changes in the state political, economic, cultural and social life as well as in the people's mental attitudes, ethics, moral concepts, ideology, and so on. The profoundness and extensiveness of these changes will surpass any previous revolution. The reform will also have a direct bearing on the actual interests of the people. These facts tell us that reform is really a very complicated social project and a very arduous task. Previously, we did not sufficiently emphasize this point, making people believe that reform seemed to be relatively easy and would surely be plain sailing. Of course, generally speaking, reform will surely succeed and we should have confidence in this. Nevertheless, no specific reform may go smoothly throughout and some difficulties and temporary mistakes may arise.

We should tell the people clearly about this and mentally prepare them to undertake some risks in the reform. Especially, instead of promising too much and too early, leaders should try to do more solid things but make less empty talk. This will greatly benefit the smooth progress of our actual work.

Sixth, during the reform, it is necessary to pay attention to handling well the relationship between destroying the old and establishing the new. In order to carry out reform, we should, of course, do away with those outmoded things which hinder the development of productive forces and encourage blazing new trails and bringing forth new ideas. Without such a spirit, reform will be out of the question. Therefore, it is imperative to stress the emancipation of minds and encourage seeking truth. However, while carrying out the actual reform, we must do away with the old and establish the new, do away with the old while establishing the new, or even establish the new first before doing away with the old. This means that we should, first of all, consider what new systems and methods will be used to replace the original systems and methods. As our economy operates under certain mechanisms and management systems, if we can not find new methods after scrapping the old, the whole economy will lose its way and be out of order, thus hampering the interests of the people. At present, our reform is carried out under the leadership of the party and by relying on the socialist system itself and the conscious practice of the people. This reform is a self-perfection of the socialist system. We can carry it out incrementally and completely and in a planned and orderly way, and thoroughly cast away the practices and influences of "smashing it first" which were rampant during the "Cultural Revolution." On this issue, at present, we must pay particular attention to handling well the relationship between microeconomic invigoration and macroeconomic control. The microeconomy should continuously be decontrolled and invigorated; and the macroeconomy should be further controlled, regulated, and managed. These two aspects both belong to reform. The state's reduction of the scope, degree, and measure of its direct control over enterprises' economic activities must be compatible with its ability to strengthen its indirect control over the macroeconomy. Meanwhile, during the process of reform, we should strengthen the inspection and supervision organs, improve the inspection and supervision systems, and strengthen legislative and judicial work. Only by so doing can we ensure the orderly and healthy development of the reform.

Seventh, it is also necessary to handle well the relationship between reform and construction. This is an issue to be given special attention during the entire period of the Seventh 5-Year Plan. Fundamentally speaking, as reform should serve construction, the objectives of reform and construction should be completely identical. However, at present and in the coming few years, we should persist in giving first priority to reform and actively create an excellent economic environment for reform in terms of construction arrangements. We should pay particular attention to limiting the speed and scale of construction and harmonizing all economic relations. If not, economic life would become unstable, price hikes would become uncontrollable; and the main economic proportional relations would, once again, become unbalanced. As a result, since we would have to carry out major readjustments, reform would have to be shelved. This is an issue to be handled particularly well at present. The reform will not only benefit the current economic situation; after the foundation of a new economic structure is laid in the coming 5 years or more, it will also ensure sustained and stable economic development in the coming 10 years, 20 years, or even longer. We should look at problems from this strategic viewpoint to handle the relationship between reform and construction well.

Finally, just as Comrade Xiaoping said, we must uphold the principle and orientation of reform; and the practical measures for reform must be safe and reliable. The basic theory, guiding principle, and main orientation of our reform have been made clear, but the specific measures and methods should be studied, perfected, and created in practice. This is what we meant when we said that we should look carefully before taking each step in carrying out reform.

In upholding principle and orientation, we should be firm, bold, and brave in blazing new trails; and in enacting specific practical measures, we should be extremely cautious and enforce them with great care. We believe that under the guidance of the correct line and principle of the central authorities, this economic structural reform which is now being carried out in the land of China and will produce far-reaching significance will surely succeed. This is the wish of the people as well as an inevitable outcome of the development of history.

LI PENG REVIEWS RURAL ENERGY CONSTRUCTION

OW151005 Beijing XINHUA Domestic Service in Chinese 1518 GMT 14 Mar 86

[Text] Beijing, 14 Mar (XINHUA) -- "Rural energy construction is an important matter which concerns the livelihood and economic advance of China's 800 million peasants. Leaders from all central departments down to local governments should increase their understanding of the importance of energy for developing the rural economy and improving the people's material and spiritual life and should strengthen leadership over the important matter of rural energy construction," said Li Peng, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council.

He made the above remark at a national meeting today on rural energy and electrification in 100 counties attended by delegates from throughout the country. In his speech, Li Peng spoke on energy construction and electrification in China's rural areas. Reviewing the current situation in rural energy construction and the importance of energy for rural areas, he pointed out that a steady growth, as well as remarkable economic, social, and environmental efficiency, has been achieved in rural energy construction after implementing principles and policies conforming with the reality of rural energy work in China. In the past 5 years, energy availability equivalent to 20 million metric tons of standard coal was added both through utilizing new energy sources and by saving energy, thereby easing the wood shortage for fuel and other energy sources in some rural areas.

He said: Although strains on energy sources have been somewhat relaxed in some areas, the energy shortage in the countryside as a whole has not yet been basically resolved, and rural energy can barely meet the demands of production and peasants' livelihood in many areas. The development of China's rural economy and the improvement in the people's material and cultural life have made more and higher demands for energy. Especially, the rapid development of village and town industry has changed the focus of rural energy work from solely satisfying the needs of the people's livelihood to emphasizing both production and the people's livelihood. This major change in rural energy work has intensified the energy shortage in the countryside. Therefore, rural energy will remain a weak link for a relatively long period of time. Premier Zhao Ziyang pointed out: "We should regard rural energy as a strategic issue, and resolve it in light of the actual situation in each locality. The government should study this important issue and formulate policies to earnestly help solve the problem." As rural energy work involves a wide range of areas and quite a few problems, governments at all levels should include rural energy construction in the economic development plan while finance, planning, material supply, science and technology, and banking departments should actively support and help solve practical problems in the work.

Touching on the guidelines for rural energy work, Li Peng said: The general guidelines for rural energy construction for some time to come are to continue to implement the principles of "suiting measures to local conditions, replenishing with various forms of energy sources, developing comprehensive utilization, and stressing efficiency." While striving to save energy, it is necessary to actively plant trees for use as fuel, vigorously spread the use of fuel-saving stoves, steadily develop methane use, and, when local conditions permit, build small hydroelectric power stations and coal pits and attempt to utilize wind, solar, and geothermal energy.

Rural energy construction should be coordinated with the planning of and carried out simultaneously with the construction of rural towns, the building of spiritual civilization, and environmental protection. We should strive to improve rural energy work in order to develop agricultural production, raise the people's livelihood, build a wholesome agricultural ecology, and facilitate the modernization drive.

He pointed out that in view of the energy shortage and backward utilization, poor management, and alarming waste of energy sources in the vast countryside, it is necessary to pay special attention to the rate at which energy sources are utilized. The fact that the principle of "stressing actual results" in the general guidelines for rural energy construction has been replaced with the principle of "stressing efficiency" is precisely for this purpose. The fuel-saving stoves, which we popularized and which achieved quick results in the Sixth 5-Year Plan, should be an effective and popular means for easing the current energy shortage in rural areas.

In most rural areas, energy for the people's livelihood will continue to rely mainly on wood, straw, and stalks used as fuel for a relatively long time to come. Although the coal supply has increased in some localities, it still cannot meet the demand of many areas. Therefore, we should continue to popularize the use and improve the efficiency of fuel-saving stoves.

Li Peng said: The use of methane has developed smoothly in the countryside. It has spread from individuals to collectives, from a small scale to a medium scale, and from a single project to multiple purposes, and has achieved greater economic, social, and environmental efficiency. Continued efforts should be made in this direction.

Fully confirming the achievements in rural electrification, Li Peng pointed out in his speech: The situation has been excellent in rural electrification in recent years. The electrification work carried out in the 100 counties has given a strong impetus to building small hydroelectric power stations throughout the country. Currently 63 percent of rural households in the country have electricity.

Li Peng discussed, in particular, the reason for selecting the 100 counties to try out electrification work. He said: Among the country's more than 2,000 counties, half of them possess hydroelectric resources. These are primarily old liberated areas, areas inhabited by minority nationalities, and impoverished mountainous and frontier areas with low living standards, backward cultural development, no access to major electric networks, and difficulty in using electricity. The selection from among these areas of the 100 counties with relatively abundant hydroelectric resources in our first step for rural electrification, which can promote the electrification work of the countryside as a whole, is obviously of far-reaching significance. Li Peng went on to discuss the principles and policies for developing small hydroelectric power stations.

First, it is necessary to advocate self-reliance and to rely mainly on local resources and funds collected by the people in building small hydroelectric power stations to provide electricity to rural areas, while the state gives appropriate assistance. It would be impractical to pin hopes on state subsidies and to request funds and materials from the state. The experience of these counties has proven that only by relying on local resources is it possible to accelerate the development of small hydroelectric power stations.

Second, it is the basic policy of the state to rely on revenues from small hydroelectric power stations to support their operations. Only by implementing this policy can a small hydroelectric power station be invigorated and maintain sustained development.

We should pay keen attention to not only economic efficiency but also the social benefit of small hydroelectric power stations, and should raise the economic efficiency on the basis of social benefit. In the course of implementing this policy, we may reasonably readjust the electricity fee in accordance with local conditions so as to accumulate funds for supporting small hydroelectric power stations. It is necessary to set a reasonable fee and guard against wanton hikes and fee collection.

Third, in order to achieve quick investment results, all localities should act according to their own capability and adopt measures suitable for local conditions.

Fourth, aside from newly built projects, it is necessary to tap the potentials of old power stations while ensuring safety of operation. For example, we may enlarge the generating capacity, expand the volume of a reservoir, and, when conditions permit, build low-head hydroelectric power stations at dams which cannot generate electricity.

Fifth, it is necessary to straighten out the relationship between small hydroelectric power stations and major electric power networks. A meeting of the Ministry of Water Resources and Electric Power last year formulated the policy for major electric power networks to assist and give preferential treatment to local electric power network. This is aimed especially at solving the relationship between small and major electric power networks and accelerating the development of small hydroelectric power stations. At present, most counties relying mainly on small hydroelectric power stations have, in accordance with the guidelines of the document approved and transmitted by the State Council, set up an economic entity at the county level for exercising unified supervision over power generation, supply, and consumption in rural areas. Without such a system to protect and harness the enthusiasm of local governments and people, it would be very difficult to invigorate small hydroelectric power stations. In order to support the operations of small hydroelectric power stations, large electric power networks may act as their agents in soliciting and collecting fees from regular customers.

Sixth, considering the seasonal fluctuation in the stations' hydroelectric power, we should use forms of energy to replenish small hydroelectric power stations in order to increase their economic results.

Seventh, in addition to giving priority to developing small hydroelectric power stations for solving energy sources in rural areas in accordance with actual conditions in each locality, it is also necessary to make full use of available local energy resources in building small thermal power stations. Areas inaccessible to electric power networks but having wind and geothermal energy resources should also build power plants using such energy sources.

Turning to the development of the rural energy industry, Li Peng said: To ensure smooth progress in rural energy construction, this question should be put on the agenda with the topics of solar-powered stoves, methane, wind energy electricity, solar water heaters, and fuel- and coal-saving stoves, including manufacture and maintenance of related equipment and parts. Machine building departments should improve product quality, lower production costs, provide complete sets of reasonably priced quality products for rural energy construction, and set up conveniently located repair outlets for customers. A great part of the work in all these fields can be handed over to local industry, village and town enterprises, and rural energy technical service companies.

On the question of organizing the leadership over rural energy work, Li Peng announced on behalf of the State Council that, in order to eliminate overlapping of organizations, the State Council has decided to abolish the office of its Leading Group for Development of Rural Energy and to coordinate and promote the work through the State Council's meeting on energy conservation.

The decision is aimed at strengthening, not weakening, leadership over the rural energy work. The Leading Group for Development of Rural Energy and its office already set up in various localities may remain. Each province, municipality, and autonomous region may set up its own organization in accordance with actual situation in each locality. Provinces, autonomous regions, and municipalities that face a heavier task in rural energy construction should further strengthen and improve leadership in rural energy work, which should not be affected as a result of the abolishment of the office of the State Council Leading Group for Development of Rural Energy.

In conclusion, Li Peng said: Science and technology should be oriented to rural energy work. China's scientific and technical personnel should redouble their efforts at developing energy sources, solving the energy shortage, and carrying out energy-saving technical transformation in rural areas in light of actual situation in China. Currently, efforts should be focused on energy conservation in rural areas. At the same time, it is also necessary to train energy specialized personnel and improve the technical quality of energy workers in rural areas.

At the meeting today, Li Peng presented certificates on completion of preliminary rural electrification to Guangze, Wenchuan, Yingjing, Renhua, and Longmen Counties. The national meeting on rural electrification in the 100 counties closed today.

YAO YILIN STRESSES GRAIN PRODUCTION IN JILIN

OW180553 Beijing XINHUA Domestic Service in Chinese 1529 GMT 17 Mar 86

[By reporter Chen Mingxing and JILIN RIBAO reporter Liu Tong]

[Text] Changchun, 17 Mar (XINHUA) -- During a recent inspection tour of Jilin Province, Yao Yilin, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, pointed out: In developing grain production and accelerating construction of bases for commercial grain, it is necessary to harness the enthusiasm of peasants and provincial, city, and county governments.

Yao Yilin said: In our country, grain production remains a major issue, and should be tackled with great care. In promoting grain production, it is necessary to formulate a correct policy and stress scientific farming. A few years ago, we sparked the enthusiasm of peasants primarily through introducing the production responsibility system. As the second step in rural reform, we have abolished unified or fixed state purchases and introduced a system of purchase by contract. We must adopt effective policy measures to protect the initiative of peasants and provincial, city, and county governments, and fire their enthusiasm to grow grain crops. To better serve the peasants before, during, and after production, the bases for commercial grain may set up units providing services in popular science and technology, breeding of fine strains, irrigation and water conservation facilities, farm machinery, and storage and transport of grain.

Yao Yilin noted: We should increase investment in grain production. It is necessary to spend more on farmland capital construction and build irrigation and drainage facilities to improve our capability to resist natural disasters. It is also necessary to build facilities for storing and transporting grain. Yao Yilin pointed out: As grain-producing areas make great contributions to the state, it is necessary to do everything within the state's capabilities to support and assist them in terms of funds and means of agricultural production. The more commercial grain they produce, the greater actual benefit they should receive. The unreasonable situation of the past that "the more grain a locality delivers to the state, the heavier a financial burden it has to shoulder" should be changed.

STRENGTHENING OF GRAIN PURCHASE WORK URGED

HK130929 Beijing JINGJI RIBAO in Chinese 6 Mar 86 p 1

[Editorial: "Seriously Carry Out the Task of State Purchase of Grain According to Contract"]

[Text] Document No 1 of 1986, issued recently by the CPC Central Committee and the State Council, decided to appropriately reduce the amount of state grain purchased according to contract and to increase the proportion of state grain purchased at negotiated prices in the market. This is a major measure taken by the state in order to expand grain production, encourage peasants to sell more grain to the state and increase peasants' incomes following reform of the system of state grain purchase. The grain purchase year of 1986 (effective from 1 April) is drawing near. All localities should conscientiously take the practice of state grain purchase according to contract as a major task to be fulfilled.

The principles of reducing the amount of state grain purchase according to contract are as follows: In areas where the commodity economy is well developed, and with considerable expansion of diversified production activities, we should doggedly adhere to the practice of state grain purchase according to contract, and ensure the fulfillment of the tasks of grain production and state grain purchase, through the implementation of subsidizing grain production with funds from industrial production. In areas with rich potential grain production resources and where the diversified productive activities are not bustling, including new marketable grain-producing areas and some old marketable grain-producing areas, we should reduce the amount of state grain purchase according to contract, and increase the proportion of state grain purchase at negotiated prices, so that peasants will be able to earn more from grain output in excess of production targets. In areas without much farmland where marketable grain production is high, we should not reduce the amount of state grain purchase according to contract. In the very few poverty-stricken areas, the state may not conclude any contracts for grain purchase, or only conclude a small number of contracts, and should mainly purchase grain at negotiated prices. These principles have been formulated according to actual conditions in different types of areas and are aimed at further implementing the principle of "sparing no effort in promoting grain production and diversified undertakings," ensuring sound progress in readjusting the agricultural production structure and a steady increase in grain production, encouraging peasants in the good grain production areas to grow and sell more grain crops to the state, and increasing the incomes of grain crop growing peasants.

In carrying out the practice of state grain purchase according to contract, we must make efforts to publicize grain policies formulated by the party and the state. We must clearly explain to peasants that appropriately reducing the amount of state grain purchase according to contract does not mean that we have too much grain. The measure is aimed at increasing the proportion of grain purchased by the state at negotiated prices. That is to say that while reducing the amount of state grain purchase according to contract, the state will entrust grain departments to buy a certain amount of grain at negotiated prices in markets. They should buy as much as peasants want to sell and should in no case set bounds to purchases or even refuse to purchase, nor should they give wrong information to peasants. Of course, in purchasing grain for the state, prices should be in keeping with local market conditions but should not be over the prices of grain output in excess of production targets. We should guard against sudden rises and falls so as to protect the economic benefit of peasants growing grain crops.

The task of state grain purchase according to contract is an important economic state plan, and authorities at various levels should spare no efforts to fulfill it. The state plan for grain purchase is enacted by purchasing grain from peasants according to contract.

At present, the practice of state grain purchase according to contract is regarded as both an economic contract and a task assigned by the state. In carrying out the work, we must follow policies resolutely. We must adhere to the principles of voluntariness and consultation, and conduct thoroughgoing and painstaking political and ideological work. Meanwhile, we should often remind peasants that when they strive to become better-off, they should think of the state and support the four modernizations.

The introduction of the practice of state grain purchase according to contract is a major step in reforming the system of state grain purchase. The practice was introduced only 1 year ago. We are inexperienced in this field of work; we should therefore make efforts to improve it. However, the reform orientation is correct, and we must be steadfast in regard to reform. There must be a process of consolidation, digestion, and improvement before the system of state grain purchase according to contract becomes perfect. Party committees and people's governments at various levels should give more leadership over the task of state grain purchase according to contract. In specific practice, they must suit measures to local conditions and sum up experiences often, so as to perfect the system step by step.

NPC COMMITTEE STUDIES NEW FRIENDSHIP GROUPS

OW151218 Beijing XINHUA in English 0844 GMT 15 Mar 86

[Text] Beijing, March 15 (XINHUA) -- China's National People's Congress has received a proposal to set up six more friendship groups. The proposal was put for deliberation at the 15th Session of the Sixth National People's Congress Standing Committee here today. The proposed new groups are for friendship between China and Argentina, Australia, Brazil, Cape Verde, Spain and Venezuela.

CPPCC COMMITTEE HOLDS THIRD PLENARY SESSION

OW171224 Beijing XINHUA Domestic Service in Chinese 0916 GMT 17 Mar 86

[Text] Beijing, 17 Mar (XINHUA) -- The 11th meeting of the Standing Committee of the 6th CPPCC National Committee held its 3d plenary session this morning at the assembly hall of the CPPCC National Committee to discuss the draft of the CPPCC Standing Committee's work report to be submitted for examination by the 4th meeting of the 6th CPPCC National Committee as well as drafts of other documents. Fei Xiaotong, vice chairman of the CPPCC National Committee, presided over today's meeting. Those speaking at the meeting included committee members Qian Weichang, Lan Jiang, Kong Fei, Li Tiezheng, and Liu Haisu.

GRASS-ROOTS FAMILY PLANNING MEETING ENDS 13 MARCH

OW140829 Beijing XINHUA Domestic Service in Chinese 1523 GMT 13 Mar 86

[By reporter Yu Changhong]

[Text] Beijing, 13 Mar (XINHUA) -- The national experience-exchange meeting on grass-roots family planning work, which ended today, stressed that we must win over and rely on leadership exercised by party committees and governments at all levels over family planning work, strengthen the grass-roots organizationally, improve services, and introduce scientific management to make family planning work at the grass-roots level achieve the dual objectives of controlling population growth and building closer relations between the party and the masses.

The national experience-exchange meeting is the first held especially to study grass-roots work since our nation began to carry out family planning work. Some 200 representatives from the various provinces, municipalities, autonomous regions, the PLA, institutions under the CPC Central Committee and State Council, and other state organs introduced and exchanged their experience at the meeting. These experiences reflect the main trend and orientation of development for grass-roots family planning work, embody the guiding ideology, principles, and family planning policies of the CPC Central Committee, and fully manifest our country's family planning work, which is characterized by seeking truth from facts and suiting measures to local conditions. The meeting earnestly studied relations between family planning and the overall situation of the four modernizations on the one hand, and between improving family planning policy and paying close attention to thoroughgoing and painstaking work on the other. The meeting held that, to elevate grass-roots family planning work to a new level, we must further straighten out our vocational guiding ideology, continually improve family planning policy by proceeding from the actual situation, further improve our work style and work methods, pay more attention to the development of socialist spiritual civilization in family planning work, regard the raising of social benefits as the sole criterion for our work, and make family planning work serve the general objectives and task of the party in a better way.

The meeting began on 8 March. Previously, a meeting of directors of the provincial, municipal, and autonomous regional family planning commissions was held in Beijing to particularly study family planning work during the Seventh 5-Year Plan.

MEETING STRESSES FAMILY PLANNING GUIDANCE

OW161530 Beijing XINNUA in English 1449 GMT 16 Mar 86

[Text] Beijing, March 16 (XINHUA) -- Guidance on sexual relations, pregnancy and children's nutritional and educational needs is becoming available to more and more Chinese couples through the mass media, a meeting here was told today. Much of this help is offered by the China Family Planning Association, which was set up in 1980, and which now has branches in most parts of the country, according to the national association's meeting, which began today. These organizations are sending specialists in family planning and child education and health care to run local family advice centers in many areas. In many places, their services range from medical check-ups before marriage to helping with kindergarten and primary school education.

Li Xiuzhen, vice-president of the association, said that since the association had become a member of the International Planned Parenthood Federation in 1983, it had been represented at many international meetings, and had learnt much from abroad. She said the association had also co-operated with Japanese organizations on international co-operation in family planning in women's and children's health care. In the country's drive to hold down population growth, the association would concentrate its efforts on offering help and guidance to couples, said Li.

HOUSEHOLD CONTRACT SYSTEM REITERATED AS POLICY

OW180457 Beijing XINHUA Domestic Service in Chinese GMT 17 Mar 86

[XINHUA Commentator's article: "The Household-Based Contract System Is the Party's Long-Range Policy"]

[Text] Beijing, 17 Mar (XINHUA) -- After the party Central Committee pointed out in this year's Document No 1 that the cooperative system should be perfected, some people asked anxiously whether the household-based contract system was to be abolished.

They wondered if it would be replaced with the previous practices of "returning to the big group" and "eating from the same big pot." Such worries are unfounded. It should be clearly pointed out that the household-based contract system is the party's long-term policy, which will never be easily changed against the wishes of the people.

To consolidate the household-based contract system, the party Central Committee decided in early 1984 that "the period for contractual land use should generally be at least 15 years, and the contract period should even be longer for projects which require a long production period, for development projects, such as growing fruit or forest trees, or developing barren hills and wasteland." This decision is certainly still valid today, and will be fully carried out in all localities.

The reason why the household-based contract system should be a long-range policy is not because of the people's subjective will, but because of our country's agricultural productivity and the characteristics of its agricultural production. Under the present situation, where people in most rural areas still work with their hands, only the household-based contract system, under which the producers are at the same time operators, can integrate responsibilities, privileges, and benefits; can be easily received by the peasants; and can most effectively arouse the peasants' initiative and heighten their sense of responsibility. If we reinstate the previous practice of consolidating all production means under centralized management, and reintroduce collective labor and centralized distribution, productivity would certainly be stopped or undermined. By no means should we return to this worn old way, which had brought us untold suffering, and from which we had a hard time extricating ourselves.

Establishing the system of contracted responsibilities based on the household with remuneration linked to output, using development or the household-based contract system, is the most important way of developing a Chinese-style socialist agriculture. It is specifically this system which has reinvigorated our countryside. Over a period of just a few years, our agriculture has extricated itself from a difficult position, and our agricultural achievements have attracted worldwide attention. Today, the great potential of our household-based contract system has not yet been fully tapped, and the job confronting us is to consolidate and develop this system.

Perfecting the cooperative system does not conflict with adopting the household-based contract system. As the adoption of this latter system has never replaced the cooperative system in the past, perfecting the cooperative system will not replace the household-based contract system today. We must clearly understand that the system of contracted responsibilities, based on the household with remuneration linked to output, is in itself a cooperative system with distinctive Chinese characteristics, and that the household-based contract system is one aspect of this cooperative system. As far as regional cooperation is concerned, perfecting the cooperative system does not mean that we are going to make a fresh start and carry out a new form of cooperation; it means that we are going to perfect the double-layered system which integrates centralized and decentralized management, with emphasis on the household-based contract system.

If we reread Central Document No 1 carefully, we discover that, instead of replacing the household-based contract system, perfecting the cooperative system is specifically intended to give fuller play to the vitality and role of the household-based contract system. Everyone knows that, following the development of the commodity economy in the rural areas, peasants' household operations have encountered certain problems they cannot handle individually, and they are urgently in need of all kinds of services before and after production, such as irrigation, tractor plowing, plant protection, seed preparation, transportation, technical know-how, information, and so on.

The masses are already displeased with the failure of certain places to provide these services. What we now see as perfecting the cooperative system primarily means improving these services, thereby creating a good condition for tapping the potential of the household-based contract system.

At a time when the nation's rural areas are following the guidelines set out in the party Central Committee's Document No 1, it is hoped that all localities, while propagating those guidelines, will clearly explain to the masses the relationship between perfecting the cooperative system and adopting the household-based contract system, so that our rural work can be accomplished even more successfully.

REFORM OF VEGETABLE PURCHASING, MARKETING VIEWED

HK141027 Beijing RENMIN RIBAO in Chinese 9 Mar 86 p 2

[Commentator's article: "Regaining the Initiative -- Further Reforming the System of Vegetable Purchasing and Marketing"]

[Text] Last year a reform of the vegetable purchasing and marketing system was launched in large and medium-sized cities throughout the country. What are the results of the reform? This is a problem in which consumers take great interest.

At the recent work conference on vegetable supplies in 15 cities, participants pointed out: The reform approach is correct and the trend of its development is good. Through relaxing price controls, the variety of vegetables has increased and their quality has improved; allowing large numbers of vegetables to rot is seldom seen. With circulation channels of vegetables open and the increase in purchasing and marketing networks, consumers do not find it difficult to buy vegetables. After the purchasing prices were readjusted according to the law of value, the income of vegetable growers has gone up and they find that vegetable growing has good prospects for profits. The readjustment of vegetable prices in most cities has been relatively reasonable, and the prices are becoming stable. However, retail prices of vegetables in some cities are too high. That is why consumers are still complaining.

Reforming the vegetable purchasing and marketing system is a tough and complicated job. It is necessary to iron out contradictions produced in practice and improve the work step by step. In the course of reforming the system of vegetable purchasing and marketing, some problems have appeared in some cities. This was mainly because state-run vegetable companies and shops in large and medium-sized cities were inexperienced in regulating the market and giving play to their leading role. Meanwhile, some vegetable peddlers artificially forced prices up, this landed state-run commercial departments in a passive position in running vegetable business.

State commercial departments should take an active part in the reform of the system of vegetable purchasing and marketing. Relaxing prices controls and enlivening vegetable markets do not at all mean that state-run commercial departments can give up their leading role and let go their hold on vegetable purchasing and marketing. Just the opposite, under the new situation of reforming the vegetable purchasing and marketing system, the burden on state commerce has not been lightened but has become heavier. Urban residents are very sensitive with market prices because they go to the market to buy vegetables daily. Keeping vegetable prices stable and maintaining purchasing and marketing prices on a reasonable level are bounden duties of state-run commercial departments. Whether this can be achieved or not is an indication of whether or not good results are achieved in the reform of the vegetable purchasing and marketing system.

With price controls relaxed and the market invigorated, raising the purchasing and marketing prices of vegetables to a certain extent is reasonable. However, consumers can hardly agree to a steep rise and thus they complain. When there are plenty of vegetables on the market, if purchasing prices are too low, this may chill the enthusiasm of vegetable growers. In this connection, state-run commercial departments should have correct information about supply and demand and promptly regulate relations between production, marketing, and consumption by economic means. In order to invigorate the market and promote circulation, state-run commercial departments introduce the practice of floating prices, and should try to keep the rural market prices stable so as to prevent sharp price fluctuations.

To ensure an ample supply of vegetables to urban residents and keep the prices of vegetables stable, what is most important is to arrange production according to market demands. Only when "vegetable gardens" are well run, will we be able to enrich "greenstuff baskets." Having an ample supply of goods is the only way that state-run commerce will play its due leading role of keeping vegetable prices stable. In guiding vegetable production, state-run commercial departments should first ensure sufficient vegetable-growing areas and make good use of economic and administrative means so as to enable vegetable growers to arrange production according to market demands. The key to doing the work well lies in state-run commercial departments which must adopt new policies and work methods under the new situation, and improve relations between agriculture and commerce so as to arouse the enthusiasm of vegetable growers in production.

Rural vegetable markets are the main source of vegetables for urban consumers. Apart from the effort of government-run vegetable shops in keeping vegetable prices stable, the price control departments, as well as the industrial and commercial administration departments, should improve market management by means of administrative measures. Over a certain period of time, they should take measures to limit too high prices of some vegetables, and violations of such trading principles as bullying trade associates and dominating markets should be banned.

Consumers see the reform of the price system from their "greenstuff baskets." Greenstuff is a daily necessity for everyone. "No vegetables, no stable life." Filling "vegetable baskets" with more greenstuff is no trifling matter. Under the new situation of reforming the vegetable purchasing and marketing system, state-run commercial departments shoulder heavy responsibilities. They have many things to do, such as developing horizontal ties, improving vegetable wholesale markets, meeting each other's needs between various regions, and opening more circulation channels, and striving for an ample supply of vegetables in the off seasons and avoiding waste in the peak periods. In short, state-run commercial departments should regain the initiative and play a positive role in the reform of the vegetable purchasing and marketing system.

MINISTRY OF COMMERCE OUTLINES MARKETING WORK

OW170423 Beijing XINHUA Domestic Service in Chinese 1254 GMT 16 Mar 86

[By XINHUA reporter Qiu Yuan and RENMIN RIBAO reporter Pan Gang]

[Text] Beijing, 12 Mar (XINHUA) -- At the national meeting of directors of commercial departments and bureaus that ended today, the Ministry of Commerce called on commercial departments in the various localities to work hard in the following five areas to ensure a more brisk and stable market this year.

1. Arrange well the supply of daily necessities that are vital to the general market situation as well as to the people's livelihood.

We should give top priority to grain and pay earnest attention to the procurement, marketing, and distribution of grain and to the arrangements for the daily life of the people. We should do a good job in arranging vegetable production and earnestly implement the policy of ensuring supply by primarily relying on nearby suburban areas, with relatively distant suburban areas playing a supplementary role and other cities and towns playing a regulatory role. State-owned vegetable companies should make active efforts in management, improve services, and play their leading role in a better way. All localities should run vegetable wholesale markets well, develop all kinds of lateral associations, and further enliven production and management. State-owned vegetable companies should seasonably control the sources of several varieties of ordinary vegetables to ensure a continuous supply and stable prices and see to it that vegetable prices do not rise this year. Prices for vegetables should drop somewhat in places where they rose excessively last year. Close attention should be paid to procuring more meat and eggs in the peak periods to ensure a continuous supply in the off seasons.

2. Actively cooperate with industrial departments to increase the production of commodities that meet market demands, take the initiative to help light and textile industrial departments produce more of those variety of products in short supply, and solve problems in the production and marketing of small commodities, soap, and leather products.

3. Work hard to increase the sales volume of commodities and expand service. Commercial departments in all localities must further increase their processing capacity, expand the network of outlets, market more high quality cotton fiber, and increase the sale of sugar, articles of daily use, knitted textile products, hardware, and communications and electrical products. All the products should be freely sold regardless of whether they are in over or short supply or just meet demands. Vigorous efforts should be made to develop catering and service trades and domestic tourism. We should expand such new services as the repair of home electrical appliances and consumer durables, interior decorating, and color photography in accordance with the many-sided, multi-level demands.

4. State commercial departments should sum up the experience acquired since prices were decontrolled to enliven the economy to change their operation and management styles, correctly employ regulatory means, take an active part in regulating the market, and play a leading role.

5. Develop and amplify the commercial information system to do a good job in market forecasting and information feedback.

PRICE REFORMS SAID SUPPORTED BY PEOPLE

OW151306 Beijing XINHUA in English 1252 GMT 15 Mar 86

[Text] Beijing, March 15 (XINHUA) -- China's ongoing price reform has boosted commodity production and the progress of the market economy, according to the forthcoming issue of the weekly "BEIJING REVIEW." In the "Notes From the Editors" Column, the weekly says that "the reform has won the support of the people", noting that in 1985, rural per-capita net income went up 8.4 percent, and that of the cities, 10.6 percent. "With the reform's initial achievements and with the people's support, China has no reason for retreat, only for advance," the weekly says.

China's commodity prices, which were frozen for many years, were seriously distorted, the weekly says. They reflected neither price parities between various commodities nor product quality of the same category.

Price reform became inevitable when the country introduced a policy a few years ago of building a planned commodity economy. This requires exchanges at equal value and stresses the principle of distribution to each according to his or her work, which in turn calls for the exchange of equal amounts of labor.

The party Central Committee fingered price reform as a key to the country's current overall economic reform in a programmatic document issued in October 1984. To date the reform measures include a purchase contract system, which replaced the state monopoly on the purchase and marketing of grain, cotton and edible oil, and lifting price controls on meat, vegetables and other perishable food. In addition, the government has decontrolled prices for small articles of daily use, and increased short-distance train fees. The Chinese Government decided to hold off on major reform measures for 1986 to consolidate and improve those already carried out, in the hope of stabilizing commodity prices, the "REVIEW" says.

JOURNAL CITED ON 5-YEAR ECONOMIC REFORM TASKS

HK170553 Beijing CHINA DAILY in English 17 Mar 86 p 4

[Text] Discussion of reform tasks for the second half of the decade has been reported by the press now that the National People's Congress (NPC) is to open its annual session to examine and approve the country's Seventh Five-Year Plan (1986-1990). Economists' views are reflected by the magazine CHINA'S ECONOMIC SYSTEMS REFORM, a forum for the State Commission for Restructuring Economic System, the chief designer of the country's ongoing economic reforms.

The magazine also reported that Premier Zhao Ziyang is expecting two major steps towards the fundamental reform of the country's existing economic system. The first step, the premier said, was taken last year and is to be completed this year, and the next step is to be taken next year and be completed in about another two years.

As for the reform tasks for the next five years, the magazine gives priority to strengthening enterprises as independent business entities, whose performance is so far still unsatisfactory. The magazine called this "the central issue" for the nation's Seventh Five-Year Plan. With the further implementation of decentralization of administration, enterprises will be gradually brought into a more competitive world. Competition will spur enterprises to improve their management and efficiency and raise technical levels. They should pay attention to improving themselves rather than trying to develop production by seeking more investment, which is what they tended to do.

Various responsibility systems, including giving more decision making power to managers, should be strengthened within enterprises. Relations between the interests of the State, enterprises, and workers would be properly handled through the enterprise wage reform.

Another important area, according to the magazine, is going to be China's socialist market system, or the development of what it called "planned commodity economy." Besides expanding and improving the commodity market, China is to gradually build up its money and technology markets. At the same time, the central leadership and economic authorities at all levels will encourage transference of workers.

The emphasis of the reforms will be laid on the producer goods market so that items on the administrative planning agenda will be gradually reduced and more items will be open to market adjustment.

The third major aspect of China's reforms in the next five years is to make the State's control over enterprises mostly indirect, because the old, direct control over businesses has proved to be outmoded and unsuitable for the new economic situation. The State's indirect control will combine the use of the economic levers such as price adjustment, income distribution, taxation, and credit management. These efforts will be coupled with the strengthening of the country's legal system.

REGULATIONS ON FOREIGN, CHINESE TRAVELERS 'EASIER'

HK140408 Beijing CHINA DAILY in English 14 Mar 86 p 4

[By Li Xiaojia]

[Text] Foreigners in China can now travel more freely than ever, and signs reading "Foreigners Not Allowed to Enter" are disappearing fast, said Cao Luhe, bureau chief of the Entry and Exit Administration under the Ministry of Public Security. "Last year, more than 100 such signs were pulled down in Beijing and similar steps have been taken in many other Chinese cities as part of the country's effort to open itself up to the outside world," he told CHINA DAILY.

Thanks to the two new laws on border crossing which came into force in February, foreign and Chinese travellers are finding it much easier to enter and leave China. The past few years have seen more than five million foreigners surging into China and a rapidly growing number of Chinese travelling abroad. The two new laws, one for foreigners and one for Chinese, promulgated last November, open the door even wider. The "threshold" application formalities have been reduced to a minimum. The first law, which includes making entry visas available on arrival, allows unrestricted travel to all open areas and offers exemption from exit visas, gives foreigners unprecedented convenience in travelling, working and living in China. The second law is the first ever to provide all Chinese citizens -- except convicted criminals and suspects -- with the right to go abroad on personal business.

"This is the first legislation China has ever adopted in the two respects. The laws will significantly accelerate the process of opening the country to the outside world," said Cao. "Such a change would have been unimaginable only a few years ago."

For almost 30 years before 1978, China had placed strict restrictions on border entry for foreigners other than foreign diplomats, government delegations and a small number of invited individuals. It was extremely difficult at that time for ordinary Westerners to come to China. The application formalities for a visa were highly complicated and time-consuming since very few Chinese embassies abroad were allowed to issue visas without Government approval. Even Overseas Chinese with Chinese passports had to obtain an entry visa, a system described by Cao as "extremely unreasonable." "Blame for the isolation lies with the overwhelming influence of the 'leftist' craze, especially during the 'Cultural Revolution,'" he said.

Substantial changes began soon after the adoption of the open policy in 1978, when the rapid development of Sino-overseas economic and technological cooperation and tourism created an acute need for a simpler and more efficient visa system. Consequently, a series of measures was introduced from 1980 to ease restrictions on Foreign travellers. More and more Chinese embassies and consulates abroad were substantially simplified. In 1980, the first batch of 29 open cities was announced. In 1982, the Ministry of Foreign Affairs set up its first visa section in Hong Kong, then the biggest entry point for both foreigners and Overseas Chinese, to handle the large number of applications.

But travelling and working in China could still be a difficult experience. Foreigners still had to obtain a special permit to visit many areas, making a great part of China off-limits to holidaymakers in a hurry. Even in the "open" cities, foreigners were usually confined to a limited area. The rigid rule that a visa was valid for only one entry frustrated frequent visitors who had to apply for every trip. Worst of all, all foreigners in China had to obtain an exit visa before departure, a system "rarely practised internationally and inadequate to China's open policy," according to Cao. The lack of a national legislation made it difficult for foreigners and Chinese alike to know exactly what the State's policy was and act accordingly.

"We started to experiment with many new rules last year and drew up this legislation on the basis of separate original regulations," Cao said. The new law was passed by the Standing Committee of the People's Congress last November and its details will soon be approved by the State Council.

Today, foreigners can go to their nearest Chinese embassy or consulate and obtain an entry visa within a few days. Foreigners with urgent business in China may obtain entry visas on arrival at several specially designated port cities, including Beijing, Shanghai, Tianjin and Fuzhou. Frequent visitors may be granted visas valid for more than one entry and all Overseas Chinese with Chinese passports may cross the border freely without any extra formalities.

At the same time, the total number of open cities and districts in China has been increased to 244, including most of China's cities, scenic spots, historical sites and industrial bases. The areas where foreigners are allowed to go within the open cities have also been greatly expanded.

A separate law issued by the Beijing Public Security Bureau has made it legal for Chinese citizens to provide board and lodging for foreign friends and relatives, making ordinary Chinese families accessible to outsiders.

"To spread knowledge of the new laws and other Chinese laws and avoid offences, we encourage foreigners to consult the departments of entry and exist under the local public security bureau," Cao said. He added that the Chinese Government would protect the legal rights and interests of foreigners in China. "According to the new law, foreigners cannot be arrested without a warrant from the People's Procuratorate or the People's Court. Their personal freedom will not be violated," he said.

Chinese citizens are also beginning to enjoy the freedom to go abroad to visit relatives, travel, work, study or live. "The restrictions on Chinese citizens seeking to go abroad used to be very strict, due to traditional prejudice and the 'leftist' way of thinking," Cao said. Applicants were often treated with suspicion, making many reluctant to apply for fear of being called "unpatriotic." The chance of getting a passport used to be extremely limited and applications sometimes took up to one year. Despite the easing of restrictions after 1983, applications were still taking too long. "The delay indicates that many officials have not treated the citizens' just demands seriously," Cao said. "There are altogether more than 30 million Overseas Chinese throughout the world and their relatives at home have the right to visit them or join them."

The new law stipulates that local public security bureaus notify applicants of their decision within 30 days in cities and 60 days in the countryside. "With the improvement of working efficiency, the time required will be shorter," Cao said. Asked the reasons for the substantial shift in policy, Cao said: "The change is partially due to the concern of many top government leaders who repeatedly urge security officials to fully respect the legitimate right of citizens to go abroad."

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"Therefore, protecting the legitimate right of Chinese citizens to go abroad has been included in the principle of the new law. It is also a good way to promote international exchanges." Establishing all these principles in law reflected the long-term nature and stability of the open policy and was not simply an expedient measure, Cao concluded.

DENG PUFANG ON BUILDING SOCIALIST HUMANISM

HK120545 Beijing ZHENGGUO XINWEN SHE in Chinese 1353 GMT 11 Mar 86

[Text] Beijing, 11 Mar (ZHONGGUO XINWEN SHE) -- Today, Deng Pufang, director in chief of the China Welfare Fund for the Handicapped, told Chinese and foreign correspondents: In principle, humanism is very valuable. However, realistic humanism is of more immediate concern to the people.

Referring to the "agrarian reform" carried out immediately after the liberation of China, Deng Pufang said that some people believe that it was inhuman. Nevertheless, I think that this was undoubtedly a very human action, because it emancipated millions of peasants, providing them with food, clothes, and political standing. In view of society as a whole, it is of wide-ranging and realistic significance to consider how to make the majority of people live a better life and play a greater role.

Deng Pufang said that it is a matter of course to stress humanism in a socialist country. We did this in the past and do it at present. However, as a result of the existence of a feudal society for several thousand years in Chinese history, the building of socialist humanism in China will not be plain sailing.

A correspondent asked: Did you ever discuss this question with your father? And, what is the agreement you reached?

Deng Pufang said that "talking about my father, I believe that he understands my viewpoint very much, and I also think that it is unnecessary to discuss this question with him more, as long as we understand each other." He also said that "it is my principle not to involve my father within the scope of my work, as I regard this factor as a little bit feudalistic."

DENG PUFANG TO VISIT U.S., CANADA IN JUNE

OW111210 Beijing XINHUA in English 1204 GMT 11 Mar 86

[Excerpts] Beijing, March 11, (XINHUA) -- Deng Pufang, director-in-chief of the China Welfare Fund for the Handicapped, was speaking at a press conference the fund gave this afternoon. Asked about his own plans, Deng Pufang replied that he would visit Canada and the United States in June this year.

LEADERS PAY LAST TRIBUTE TO DECEASED PROFESSOR

OW172353 Beijing XINHUA Domestic Service in Chinese 1615 GMT 17 Mar 86

[Text] Beijing, 17 Mar (XINHUA) -- A ceremony to pay last respects to the remains of Zhu Guangqian, member of the Standing Committee of the CPPCC National Committee, member of the China Democratic League Central Committee, honorary president of the China Aesthetics Society, and professor at Beijing University, took place at the Beijing Babaoshan Cemetery for Fallen Revolutionaries today.

A wreath was received from Comrade Zhao Ziyang. Other leading comrades of the central authorities Deng Yingchao, Xi Zhongxun, Li Peng, Hu Qiaomu, Hu Qili, Wang Zhaoguo, Peng Chong, and Zhou Gucheng also sent wreaths and attended the ceremony.

Also paying last respects to Zhu Guangqian's remains lying in state were Yang Jingren, Qian Changzhao, Zhou Peiyuan, and Fei Xiaotong, vice chairmen of the CPPCC National Committee; leading members of the China Democratic League Central Committee Chu Tunan, Li Wenyi, Qian Weichang, Gao Tian, Ye Duiyi, and Tao Dayong, as well as leading members of other democratic parties and departments concerned, including Lei Jieqiong, Huang Dingchen, Su Ziheng, Yan Mingfu, Li Gui, Li Ding, Ping Jiesan, Zhou Shaozheng, Yang Zhengmin, Lu Ping, He Dongchang, Yang Haibo, Peng Peiyun, Li Ximing, Jin Jian, Wang Jialiu, Li Bokang, Ding Shisun, Wang Xuexhen; and friends of the late Comrade Zhu Guangxian, including Qian Ruisheng, Qian Xun, Chen Daisun, Ji Xianlin, Wang Li, Qian Zhongshu, Feng Zhi, Lu Shuxiang, Jiang Zehan, He Lin, and Huang Zhen, totalling more than 300 people.

Wreaths were also received from Yang Jingren, Liu Lantao, Lu Dingyi, Cheng Zihua, Kang Keqing, Ji Fang, Zhuang Xiquan, Pagbalha Geleg Namgya, Hu Ziang, Qian Changzhao, Dong Qiwu, Tao Zhiyue, Yang Chengwu, Chen Zaidao, Lu Zhengcao, Zhou Peiyuan, Burhan Shahidi, Miao Yuntai, Wang Guangying, Deng Zhaoxiang, Fei Xiaotong, Zhao Puchu, Ye Shengtao, Qu Wu, Ba Jin, Ma Wenrui, Mao Yisheng, and Liu Jingji.

Wreaths were received from acting chairman and vice chairmen of the China Democratic League Central Committee; the State Council; the CPPCC National Committee; the China Democratic League Central Committee; the United Front Department of the CPC Central Committee; the Education, Science, Culture and Public Health Committee of the NPC Standing Committee; the State Education Commission; the Ministry of Culture; the Chinese Academy of Social Sciences; the Beijing Municipal CPC Committee; the Beijing Municipal Government; the United Front Department of the Beijing Municipal CPC Committee; the Beijing University CPC Committee; Beijing University; the China Federation of Literary and Art Circles; the Chinese Writers' Association; the China Aesthetics Society; and the China Society of Foreign Literature. Some well-known personages in the society and friends of the late comrade Zhu Guangqian also sent wreaths.

Those attending the ceremony mourned with deep grief the death of Zhu Guangqian, a noted aesthete and educator who had made significant contributions to the development of China's aesthetics and literary and art theories. They also expressed their deep sympathy to Xi Jinwu, widow of Zhu Guangqian, and their children.

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HAN PEIXIN CALLS ON JIANGSU CPPCC CONFEREES

OW180609 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 17 Mar 86

[Excerpts] The 14th enlarged Standing Committee meeting of the 5th provincial CPPCC Committee concluded in Nanjing today after 5 days in session.

The meeting decided to convene the fourth session of the fifth provincial CPPCC Committee on 20 April.

During the meeting, Han Peixin, Shen Daren, and Sun Han, leading comrades of the provincial party committee, called on those attending the meeting.

On behalf of the provincial party committee, Comrade Sun Han addressed the meeting on how to do CPPCC work better and to bring about a new situation in the work in the province.

Wei Yongyi and Wang Zhaoquan, vice chairmen of the provincial CPPCC Committee respectively presided over the meeting yesterday and today. Qian Zhonghan, chairman of the provincial CPPCC Committee, summed up the meeting.

SHANDONG CONGRESS DECIDES ON APPOINTMENTS, REMOVALS

SK180520 Jinan DAZHONG RIBAO in Chinese 2 Mar 86 p 1

[Text] In accordance with the suggestions made by Governor Li Changan, the 18th Standing Committee meeting of the 6th Shandong Provincial People's Congress decided to appoint Jiang Renbao [3068 0088 1405] director of the Shandong Provincial Judicial Department, and Sun Baozhu [1327 1405 3796] director of the provincial Environmental Protection Bureau; and to dismiss Chen Tianyou from the post of director of the provincial Judicial Department.

SHANGHAI'S RUI XINGWEN HONORS SATELLITE TEAM

OW130341 Shanghai City Service in Mandarin 1100 GMT 10 Mar 86

[Text] This afternoon, the Shanghai municipal industrial party committee, the municipal economic commission, and the national defense, science, technology and industry commission jointly held a meeting to extend congratulations and regards to the units and individuals who had taken part in the research, production, testing, and launch of the telecommunications and broadcast satellite. Leaders of the municipal party committee and the municipal government Rui Xingwen, Huang Ju, Zeng Qinghong, and Liu Zhenyuan, and Vice Minister of Aeronautics Industry Sun Jiadong -- a total of more than 1,500 people -- attended the meeting.

GUANGDONG VENTURES ENJOY PREFERENTIAL TREATMENT

HK170915 Beijing ZHONGGUO XINWEN SHE in Chinese 0819 GMT 15 Mar 86

[Text] Guangzhou, 15 Mar (ZHONGGUO XINWEN SHE) -- The Guangdong Provincial Government has recently adopted the policy of giving preferential treatment to Sino-Foreign joint ventures and cooperative enterprises in the province's mountainous counties.

-- The Sino-foreign joint ventures run in the mountainous counties will be exempted from profit taxes imposed by the local authorities. If the co-management of a joint venture stretches over 10 years, it will be exempted from 100 percent of the profit taxes in the first 2 years, 50 percent in the following 3 years, and 30 percent in the next 10 years. In addition to the profit taxes exempted by the local authorities, the Sino-foreign cooperatives enterprises share the preferential treatment with the joint ventures in tax exemption. The export commodities produced by these enterprises except those restricted to export by the state, will be exempted from consolidated industry and commerce taxes. The commodities, produced by the enterprises that have signed a co-management contract of over 10 years and which are to be marketed in the domestic markets, except sugar, cigarettes, spirits, wrist watches, television sets, and cassette recorders, will be exempted from consolidated industry and commerce taxes for 2 years after operations start, with the approval of the taxation departments.

-- Regarding the businessmen who have not set up permanent offices in China, their dividends, interests, rent royalties, and other incomes deriving from Guangdong's mountainous counties, except items that have paid taxes, will be exempted from 10 percent of the profit taxes.

-- The commodities produced by the mountainous counties through compensation trade, except sugar, cigarettes, spirits, and wrist watches, will be exempted from industrial product taxes or value added taxes within the repayment period. But the funds exempted from taxes and the profits should be used to repay the loans. Otherwise, the commodities will not be exempted from tax payments.

-- In order to alleviate the strain on transport, foreign businessmen or the Chinese partner entrusted by foreign businessmen, may purchase raw materials and machine parts within the country at export prices. But the goods processed must all be exported.

-- The departments concerned should give preferential treatment to the mountainous counties that plan to use foreign capital and import advanced technology. The preferential treatment includes arrangements in planning, funds, loans, fuel, quotas, import and export licenses, direct transportation, and sending groups and individuals abroad to engage in research studies or to receive training.

The provincial government also stipulated that before 1990, mountainous counties' foreign exchange or loans granted by the Bank of China for revamping enterprises, importing machines and equipment (including instruments and apparatus), and other materials needed for technical transformation, will be exempted from import taxes or value added taxes with the approval of the provincial Taxation Bureau. The income of state-owned and collective enterprises in mountainous counties derived from processing goods for foreign businessmen, will be exempted from profit taxes for 3 years according to the relevant stipulations. If they still have financial difficulties, the period of tax exemption may be extended with the approval of the taxation departments.

HUBEI NOTES 100TH ANNIVERSARY OF DONG BIWU'S BIRTH

HK090816 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 5 Mar 86

[Excerpts] Today is the 100th birthday of Comrade Dong Biwu, one of the founders of CPC, great proletarian revolutionary and outstanding leader of the party and state.

The provincial CPC Committee held a celebration rally in Dong's hometown in Hong'an County. Guan Guangfu, secretary of the provincial CPC Committee; Wu Xiuquan, Standing Committee member of Central Advisory Commission; and other leading comrades attended the rally and made speeches.

Comrade Guan Guangfu made the first speech at the rally. He said: Comrade Dong Biwu was born in Hubei. The land across the province was the goal for which he fought. The history of revolutionary struggle of the province's people, as well as the history of socialist construction, are closely related to the life of Dong. In his speech Comrade Guan Guangfu stressed that throughout his lifetime, Dong always pursued truth, believed in Marxism-Leninism, and had a firm faith in the inevitable victory of the communist cause. He has set a glorious example for us.

Comrade Guan Guangfu said: Dong's noble virtue of being honest in performing his official duties is another example for us to follow. To study the character of Dong is of practical significance in the areas of correcting party work style and striving for a fundamental turn for the better in party work style and in the general mood of society.

After that, Comrade Wu Xiuquan made a speech. He reviewed the past when he studied and worked under the leadership of Comrade Dong Biwu. He said: I am lucky that in my early days, I had an opportunity to know him, to directly be educated by him, and to work under his leadership. During those years between the 1920's and the 1970's, I had many unforgettable contacts with him. I feel greatly honored by having such a revolutionary teacher of noble virtue. He was a sincere and kind elder.

Also delivering speeches were leading comrades of Hong'an County CPC Committee and relatives of Comrade Dong Biwu. The rally was presided over by Qian Yunlu, deputy secretary of the provincial CPC Committee. It was attended by Wang Qun, deputy secretary of the provincial CPC Committee; Shen Yinluo, vice chairman of the provincial Advisory Commission; Lin Shaonan, vice chairman of the provincial People's Congress Standing Committee; (Xu Penghang), vice governor; Xu Jinbiao, Tao Yang and (He Jinhua), vice chairmen of the provincial CPPCC; Wang Shen, commander of Hubei Military District; (Ao Zhigong), Central CPC Committee member attached to Wuhan; Zhao Xinchu, member of Central Advisory Commission.

Also present were (Xiao Jianzhang), former deputy Air Force commander of Wuhan Military Region; Chen Fusheng, director of the provincial CPC Committee Propaganda Department; leading comrades of Huanggang Prefectural CPC Committee, administrative offices of the prefecture and departments concerned directly under provincial and city authorities; representatives of the academic forum on Comrade Dong Biwu's works; as well as friends, relatives and sons and daughters of Comrade Don Biwu.

XIZANG'S WU JINGHUA SEES OFF LEADING BUDDHIST

HK130807 Lhasa Xizang Regional Service in Mandarin 1130 GMT 9 Mar 86

[Text] On 8 March, accompanied by Raidi, deputy secretary of the regional CPC Committee; and (Song Yinqiong), deputy director of the No 2 bureau of the central United Front Work Department, Bainqen Erdini Qoigyi Gyaincain, vice chairman of the NPC Standing Committee and honorary president of the Buddhist Association of China, departed Xigaze for (Gongta) Airport; and returned to the interior of the country on 9 March.

At the airport, he was seen off by responsible people of the region's party, government, and military. They included Wu Jinghua, Pagbalha Geleg Namgya, Raidi, Doje Cering and Zhang Shaosong. Also present were responsible people of Lhasa City and Xigaze and Shannan Prefectural CPC Committees, including Yang Youcai, Buduoji, and Wang Jinjie. Also present were (Bomi Qingbaluo Zuzhang), vice chairman of the regional Buddhist association, and responsible comrades of the departments concerned.

YUNNAN MAGAZINE PRAISED FOR RESISTING MALPRACTICE

HK081022 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 5 Mar 86

[Text] The editorial department of JINSHA JIANG WENYI [JINSHA JIANG LITERATURE] of Chuxiong Yi Nationality Autonomous Prefecture has been praised by the people for resisting the temptation of money and doing a good job in guarding against new unhealthy tendencies.

Between June and November 1985, a contractor of a certain literary magazine in Sichuan Province wrote letters to (Yu Zhengrui), chief editor of JINSHA JIANG WENYI, and (Yang Zhizhong), deputy chief editor of the magazine. In the letters he encouraged the editors to take advantage of their offices to pursue extra earnings.

In the letters, the contractor said that provided that the chief editors of JINSHA JIANG WENYI contracted out the magazine to him at the rate of 1,000 yuan per issue, sold the magazine and copyright to him for publication and distribution, and allowed him to publish two to three pieces of so-called highly readable long articles written by him in each issue, he would pay the chief editors 5,000 yuan per issue as compensation for the magazine and editing. In addition, he would pay the editors 1,000 yuan as compensation for collecting information.

Despite the temptation of money, (Yu Zhengrui) and (Yang Zhizhong) continued to stick to their principles. They delivered the letters to the editorial staff for discussion. The staff said: Literary magazines should uphold the political standpoint of serving the people and socialism. The practice of disregarding the quality of literary works but simply seeking economic results is a matter of principle. We must not be fooled and cheated by this man.

After coming to a common understanding, the editorial department wrote a letter to the contractor and firmly turned down his offer.

SHANXI LEADERS AT ECONOMIC, PLANNING CONFERENCE

HK081030 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 5 Mar 86

[Summary from poor reception] In their speeches, Li Ligong, secretary of the provincial CPC Committee, and Governor Wang Senhao, emphasized: "In this year's economic and planning work, it is necessary to persistently carry out reform of the economic structure and to strengthen macroeconomic control. This is the first step of the Seventh 5-Year Plan." Attending this conference were leading comrades of the provincial CPC Committee and provincial government, including Li Xiuren, Bai Qingcai, (Wang Xinren), and (Yang Rucai).

In his speech, Comrade Li Ligong said: This is the first year of the Seventh 5-Year Plan. Our province must make a good start in economic work. We must strengthen macroeconomic control and do well in our [words indistinct]. In the past, we did not sufficiently understand this aspect of work. For example, we precipitated the establishment of many small leather factories, small chemical fertilizer plants, and [words indistinct]. If this situation continues, funds will be wasted. Regarding those items for which less investment is needed, which produce quick results, and whose economic results are good, we must do well in macroeconomic control and ensuring a comprehensive balance.

Comrade Li Ligong said: The provincial authorities have decided that during the Seventh 5-Year period, it is necessary to stress doing well in technological transformation in 58 large and medium-sized key enterprises. All prefectures, cities, and departments and units concerned must concentrate their energy and capital to do this work well. Only by doing well in technological transformation in these 58 enterprises can our province's economy be promoted.

Comrade Li Ligong said: We must practically and realistically deal with the relation between speed and economic results. It is planned that our province's gross industrial output value will increase by 7.9 percent. This conforms to realities. So far as the whole country and the whole province are concerned, during the Seventh 5-Year Plan period, the scale of capital construction must be controlled and the increase in industry must be proper. However, the situation in all places, systems, and trades is different. Is every enterprise required to increase their industrial output value by 7.9 percent? No. Some places or enterprises whose conditions are good can exceed this percentage. If some places or enterprises are also required to greatly increase their industrial output value in the absence of these conditions, this is not practical. So long as conditions permit, under the premise of guaranteeing economic results, we must strive for a relatively high rate of increase.

Comrade Li Ligong said: Last year, [words indistinct] enterprises in our province increased. This year, we must do well in reducing deficits and increasing surpluses. Of course, some enterprises cannot avoid deficits, but some can after hard work. We must not always rely on the state's financial subsidies. In addition, the leaders of all enterprises must pay attention to safety in production.

Governor Wang Senhao talked about six views in his speech:

1. It is necessary to make the first step of the Seventh 5-Year Plan in a down-to-earth manner so that our province's economy can continue to advance along the path of continuous, steady, and coordinated development.
2. It is essential to continuously and strictly control the scale of the investments in fixed assets.
3. It is imperative to do well in technological transformation in the large and medium-sized key enterprises.

4. We must work hard to strengthen construction in agriculture.
5. We must correctly handle the relationship between speed and economic results.
6. We must persist in reform and correct party style.

In conclusion, Comrade Wang Senhao said: Persisting in reform and correcting party style are the two focal points of the work of the province this year and are the basic guarantee for us to accomplish all tasks. We must resolutely prohibit society from indiscriminately apportioning expenses and charges from enterprises. Leadership departments at all levels must strengthen investigation and study, correct their works style, indulge in less idle talk, and do more practical work.

At the conference, (Jing Chengxu), chairman of the provincial economic committee, announced the namelist of the national and provincial advanced units, advanced collectives, and advanced workers in consolidating enterprises. He also announced the advanced enterprises which won national prizes for products of superior quality in 1985 and which were commended by the Shanxi Provincial Economic Committee or the State Economic Commission in 1985 for conserving energy resources. Leading comrades of the provincial authorities awarded prizes, citations, or bonuses to them.

The provincial conference on economic work concluded on 5 March.

TIANJIN SECRETARY WATCHES OPERA PERFORMANCE

SK171058 Tianjin TIANJIN RIBAO in Chinese 2 Mar 86 p 1

[Excerpts] "A show to display Zhang's artistic style" was inaugurated on the evening of March. With Zhang Junqiu as the main actor, a play entitled "Union of a Dragon and a Phoenix" was first performed. This show was sponsored by the TIANJIN RIBAO office to mark the 50th anniversary of Zhang Junqiu's stage career.

Present at the opening ceremony were Ni Zhifu, secretary of the municipal CPC Committee; Li Ruihuan, deputy secretary of the municipal CPC Committee and mayor of the municipality; Wu Zhen and Tan Shaowen, deputy secretaries of the municipal CPC Committee; Nie Bichu, deputy secretary of the municipal CPC Committee and vice mayor of the municipality; Zhang Aziwang, chairman of the municipal People's Congress Standing Committee; and Zhou Weizhi, vice minister of culture.

Comrades Li Ruihuan and Zhou Weizhi made speeches at the opening ceremony.

After the final curtain, the entire audience warmly gave the performers a standing ovation, with some of them going to the front of the stage to shake hands with the performers.

Together with Vice Minister of Culture Zhou Weizhi, the leading comrades of the municipality who participated in the opening ceremony, including Ni Zhifu and Li Ruihuan, went up onto the stage to congratulate the performers on their performances. They also had a group photo taken to mark the occasion.

GANSU'S LI ZIQI AT AFFORESTATION MOBILIZATION RALLY

HK140645 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 10 Mar 86

[Excerpts] This morning, the provincial CPC Committee and provincial government held a mobilization rally on spring afforestation planning, which put forward the general requirement for greening work this year. The requirement is to persist in this work to the end, to truly carry it out, to improve quality, and to stress benefits.

At the rally, Vice Governor Hou Zongbin delivered the mobilization speech. He said: Over the past 3 years, the whole province has grown grass on some 15 million mu and planted trees on some 10 million mu. The area is larger than the total area on which grass had been grown and trees planted before 1982. However, we must clearly see that the area of uncultivated mountains and slopes is vast and that as the larger part of the region is dry and has many natural disasters, it is very hard to carry out the greening work.

To complete the task of growing grass on 5 million mu, afforesting 3 million mu, voluntarily planting 70 million trees, and planting trees around villages and houses and along rivers and roads in the whole province this year, Comrade Hou Zongbin put forward: It is necessary to further implement the spirit of Comrade Hu Yaobang's speech, to regard the persistent growing of grass and trees and the greening of Gansu as a great basic plan for changing our province's poor outlook, to improve quality, to lay stress on practical results, and to ensure ecological, social, and economic results. We must do well in grasping the following several links:

1. It is necessary to take such measures as are suited to local conditions and to work out an all-round plan.
2. It is essential to advocate scientific afforestation and the scientific growing of grass.
3. It is imperative to popularize the experience of (Yegu) Township, Qinan County, in greening, to run the key greening points well, and to work out plans for bases.
4. We must strengthen the management and protection of the newly built man-made forests. Comrade Hou Zongbin also talked about the implementation of the policies on forestry.

Attending the rally were Li Ziqi, Jia Zhijie, Ma Weizhi, Ge Shiyang, Guo Hongchao, He Jianshan, Li Qiyang, (Lu Ning), Jamyang Losang Jigme Tubdain Qoigyil Nyima, and responsible comrades of departments, committees, and bureaus concerned at the provincial level and of Lanzhou City.

BAI JINIAN SPEAKS AT SHAANXI CPPCC SESSION

HK171013 Xian Shaanxi Provincial Service in Mandarin 2300 GMT 13 Mar 86

[Excerpts] The fourth session of the fifth provincial CPPCC Committee, which had lasted 9 days, successfully completed its proposed tasks and concluded in Xian on the afternoon of 13 March. Liu Gangmin, vice chairman of the provincial CPPCC Committee, presided over the closing ceremony. The session was attended by 326 committee members. The session additionally elected Comrades (Shen Yanhai), (Ye Ruihe), and (Zhang Yiming) to be Standing Committee members of the fifth provincial CPPCC Committee and adopted the resolution on the work report of the fifth provincial CPPCC Committee Standing Committee.

The session also adopted the motions work committee's report of the fifth provincial CPPCC Committee, on the situation in examining the motions of the fourth session of the fifth provincial CPPCC Committee.

By invitation, Bai Jinian, secretary of the provincial CPC Committee, attended the session and delivered an ebullient speech. He said: [Begin recording] This session is a grand meeting held by the Shaanxi CPPCC Committee, a distinguished gathering of unity, and a magnificent rally to carry out the great plan. On behalf of the provincial CPC Committee, I congratulate the provincial CPPCC Committee on the success of its session and extend warm greetings to the provincial CPPCC Committee for the marked achievements it scored last year. [end recording]

Comrade Bai Jinian's speech is divided into three parts:

1. The new situation in the CPPCC Committee's work.
2. Several suggestions and hopes on the CPPCC Committee's work. He pointed out: It is necessary to enhance our understanding of the importance of the CPPCC Committee's work in the new period, to intensify study of the theory and policies on the united front, and to unceasingly strengthen our conscientiousness in doing the CPPCC Committee's work. The CPPCC Committee must give play to its own advantages and offer advice and make efforts to work well, centered on the central work of the four modernizations. It must act well as the staff officer and assistant of the leadership groups of party and government. It must vigorously do well in implementing the policies on united front work. It must continuously sum up and accumulate experiences in the CPPCC Committee's work in the new period.
3. It is essential to strengthen and improve party leadership over the CPPCC Committee's work.

In his speech at the closing ceremony, Tan Weixu, chairman of the provincial CPPCC Committee, stressed: After the session, the urgent matter is to carry out our work. We must first do ideological work well and then organizational work and our own work well.

Attending the closing ceremony were responsible comrades of the provincial CPPCC Committee, including Wu Qingyun, Kang Jiansheng, Shen Shangxian, Fu Daoshen, Hu Jingru, Xue Daown, Hu Jingtong, Gao Lingyun, Wei Mingzhong, Li Jinglun, Shen Jin, and Sun Tianyi. Responsible comrades of the provincial party, government, and Army, including Zhou Yaguang, Zhang Ze, Li Lianbi, and (Kong Zhaowen); and responsible persons of all democratic parties attended the session by invitation. (Xu Jianren), (Yang Bolun), Fan Ming, and Du Ruilan also attended yesterday's closing ceremony by invitation.

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